



STEPS
TOWARD
HOMEOWNERSHIP

STEPS to Financing the Dream of Homeownership

Virtual Event

June 10th, 2026



Welcome

Thank You to our SPONSORS!





MORTGAGE.CAR.ORG



FINDDOWNPAYMENT.CAR.ORG



Transaction Rescue™

CALIFORNIA ASSOCIATION OF REALTORS®

Your lifeline to the lending community is a free member benefit! We provide assistance with finding a lender, loan qualifications, underwriting, short sales and more. Give us a call on the FREE helpline at (213) 739-8383, email us at TransactionRescue@car.org

DOWN PAYMENT RESOURCE DIRECTORY

Quickly search and identify over 400+ available down payment assistance programs in your client's target area with our Down Payment Resource Directory.

Did you know?

63.4% of consumers would start searching for a home if they knew they could qualify for a low-down payment



If you knew you could qualify for a mortgage with a much lower down payment, would you start to look for a house?

(n=1,005)

Source: 2025 C.A.R. Consumer Survey



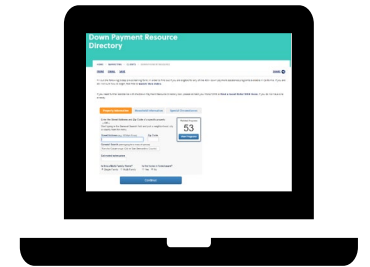
CALIFORNIA ASSOCIATION OF REALTORS®
Transaction Rescue™

C.A.R.'s Down Payment Resource Directory

<http://FindDownPayment.car.org>

Within the C.A.R Tool, you can find:

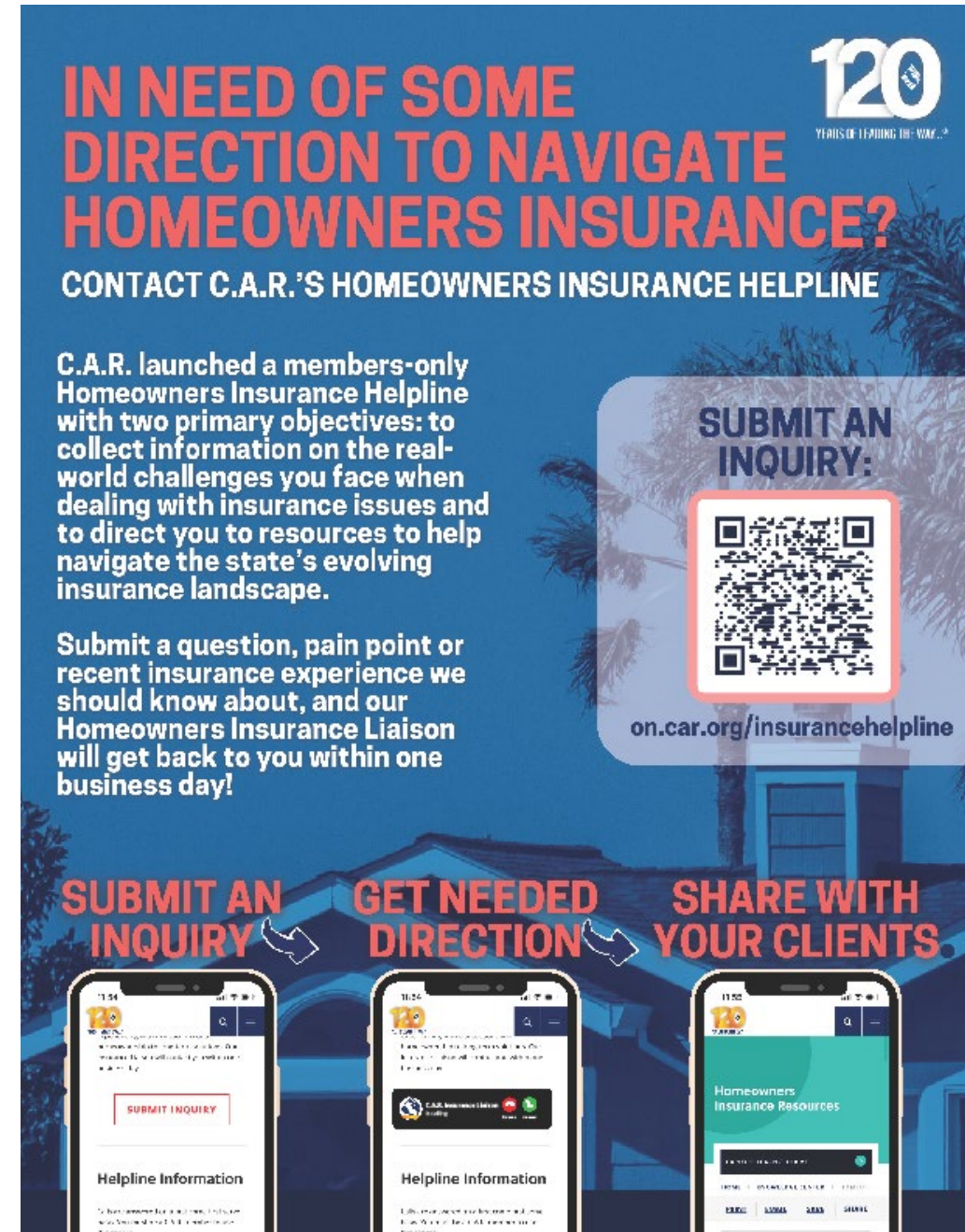
- **Participating Lenders**
- **Program Guide/Flyer**
- **Filters/Guidelines:**
 - Special Groups (Teachers, Protectors, etc.)
 - Eligible Properties
 - Maximum Sales Price
 - Eligible Borrowers
 - Maximum Household Income
 - Loan Terms
- **Benefits**
- **Latest Updates**



Get Down Payment Assistance

Insurance Helpline

Insurance@car.org
www.car.org/Insurance
Phone - 213-739-7225



120
YEARS OF LEADING THE WAY.™


IN NEED OF SOME DIRECTION TO NAVIGATE HOMEOWNERS INSURANCE?

CONTACT C.A.R.'S HOMEOWNERS INSURANCE HELPLINE

C.A.R. launched a members-only Homeowners Insurance Helpline with two primary objectives: to collect information on the real-world challenges you face when dealing with insurance issues and to direct you to resources to help navigate the state's evolving insurance landscape.


Submit a question, pain point or recent insurance experience we should know about, and our Homeowners Insurance Liaison will get back to you within one business day!

SUBMIT AN INQUIRY:



on.car.org/insurancehelpline

SUBMIT AN INQUIRY → **GET NEEDED DIRECTION** → **SHARE WITH YOUR CLIENTS.**



Why Homeownership Matters

Jordan Levine

S.V.P. & Chief Economist

CALIFORNIA ASSOCIATION OF REALTORS®



Homeownership Matters

STEPS Toward Homeownership

June 10, 2026

Jordan G. Levine

SVP & Chief Economist

California Association of REALTORS®



Geopolitical Events

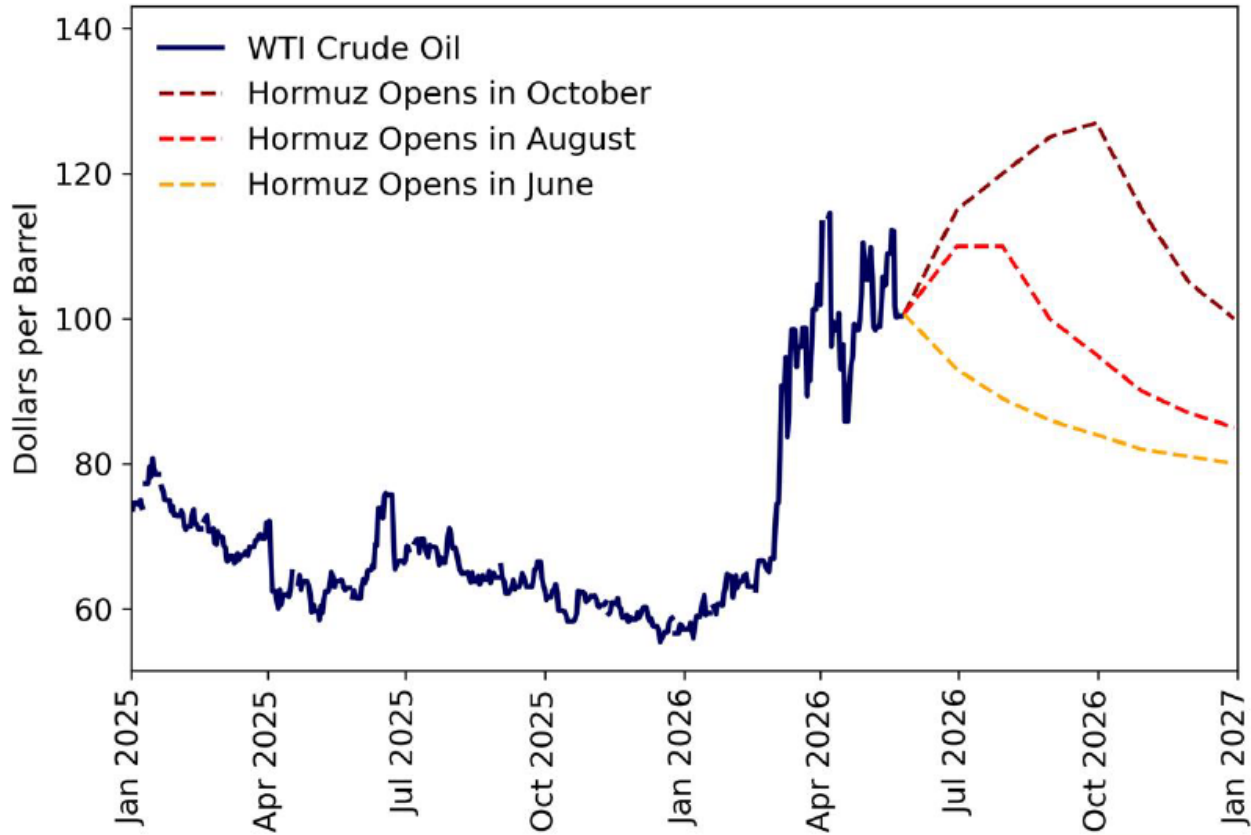
Energy supplies most impacted by conflicts

- Since late February 2026, U.S. and Israeli military strikes on Iran have escalated into a broader regional conflict, with Iran retaliating against shipping and energy infrastructure in and around the Strait of Hormuz.
- The Strait is a critical chokepoint that typically carries about one fifth of global oil and LNG flows, making even partial disruption economically significant.
- Multiple sources reported shipping suspensions, elevated insurance costs, and intermittent closures, keeping markets on edge about supply continuity.



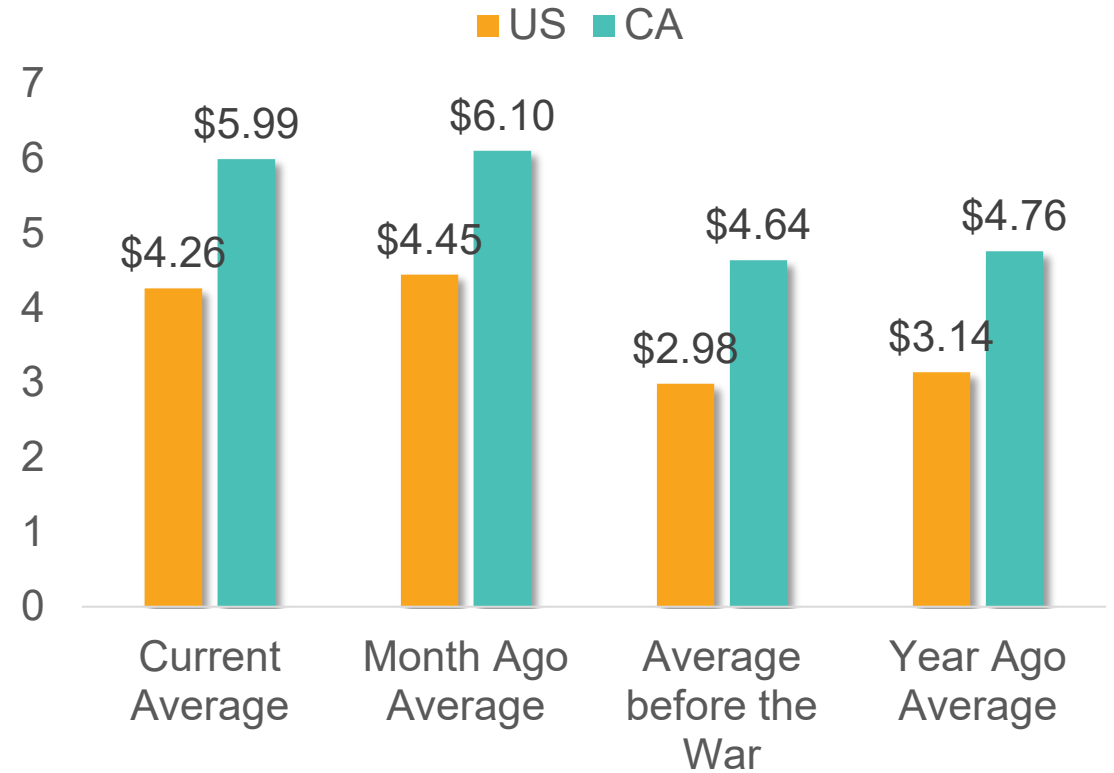
Supply shock's impact on oil prices

Oil Prices Doubled Due to Iran War



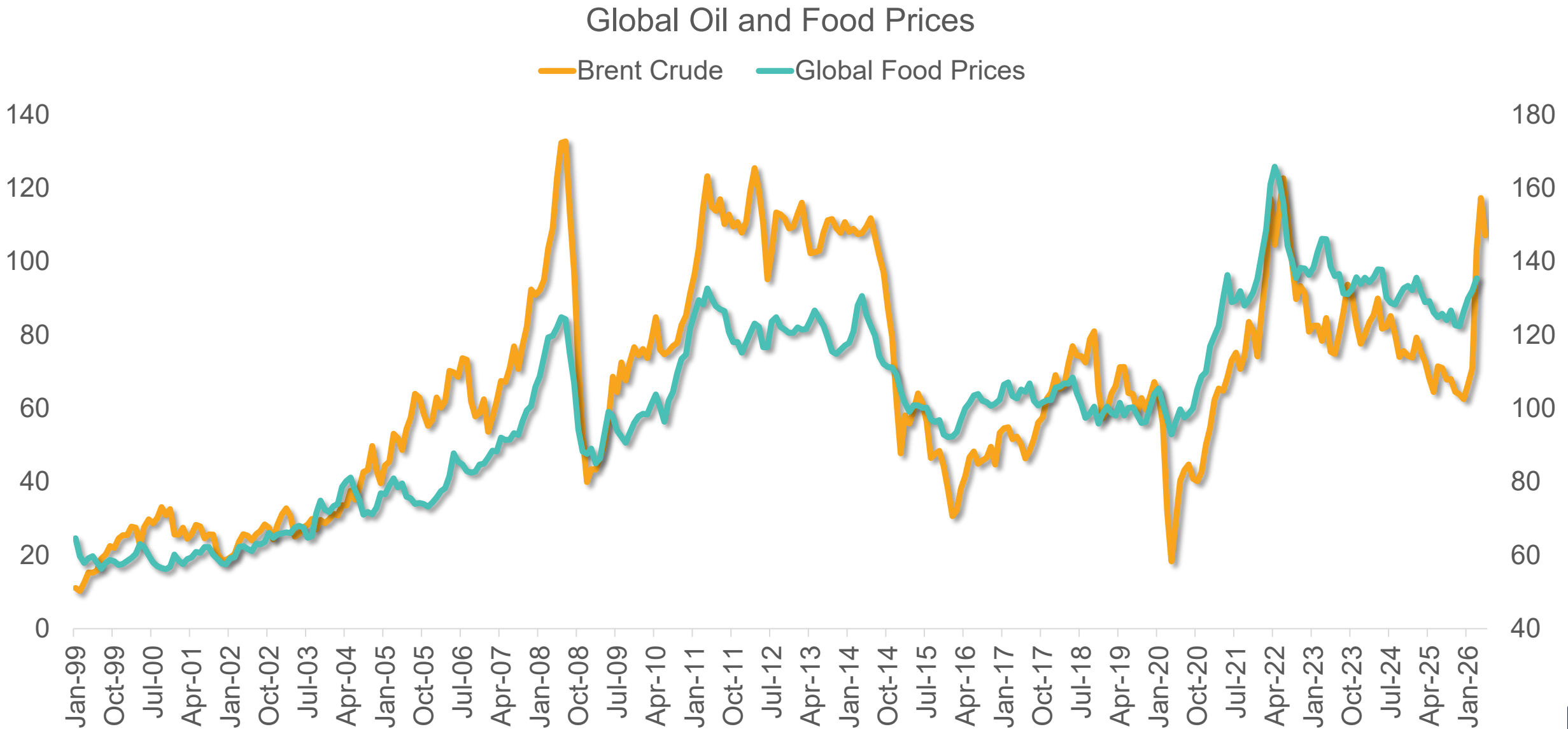
SOURCE: Energy Information Administration, CME Group, UCLA Anderson Forecast

Average gas price: U.S. & CA

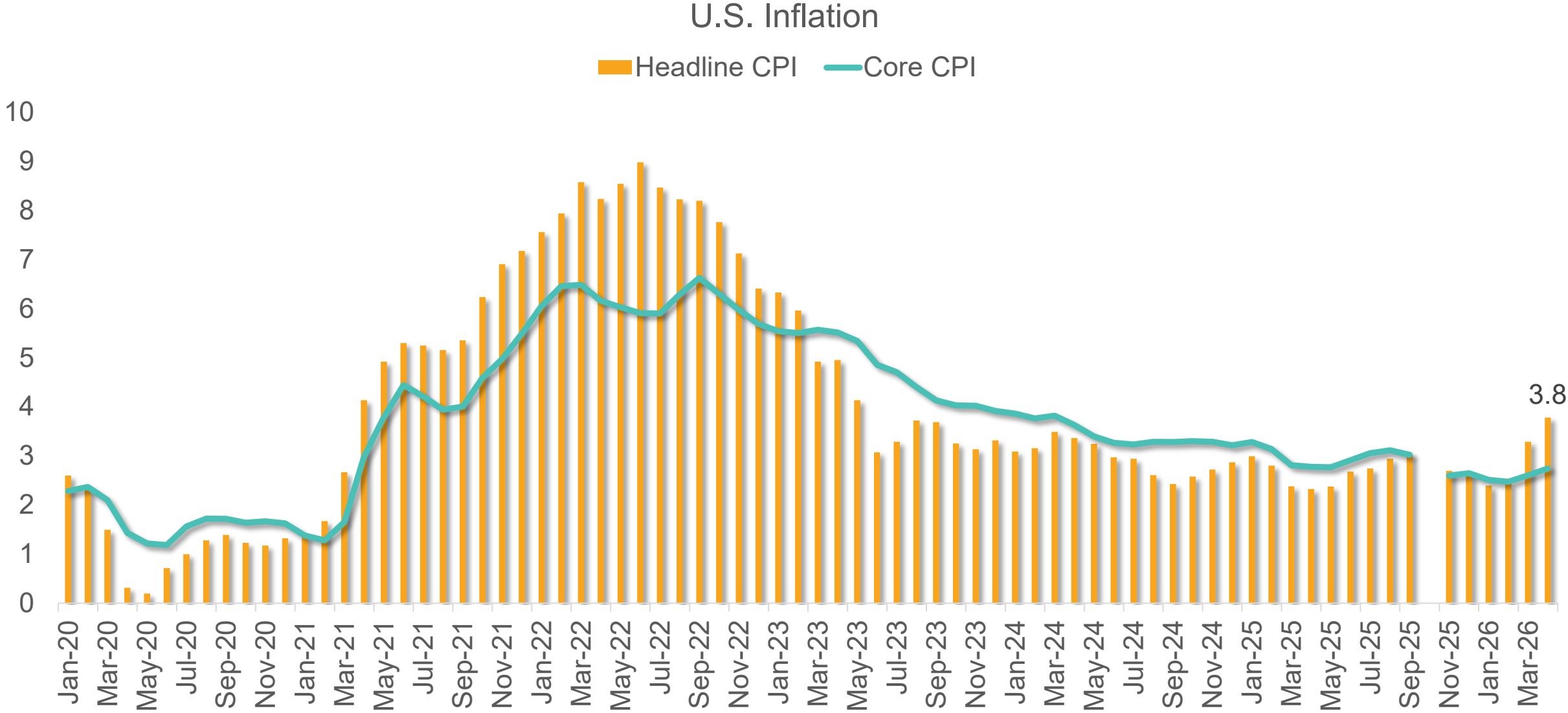


SOURCE:AAA

Energy prices also drive food prices

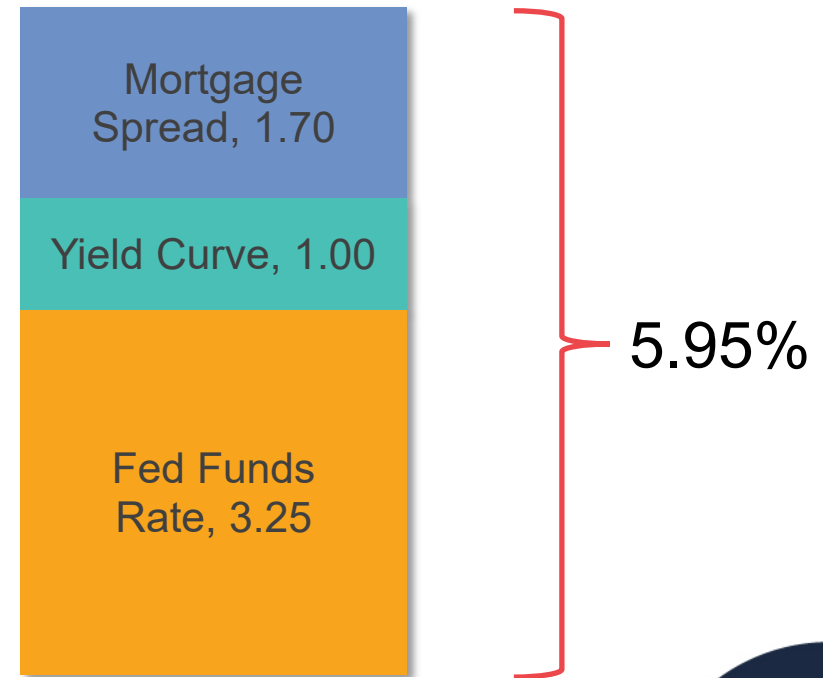
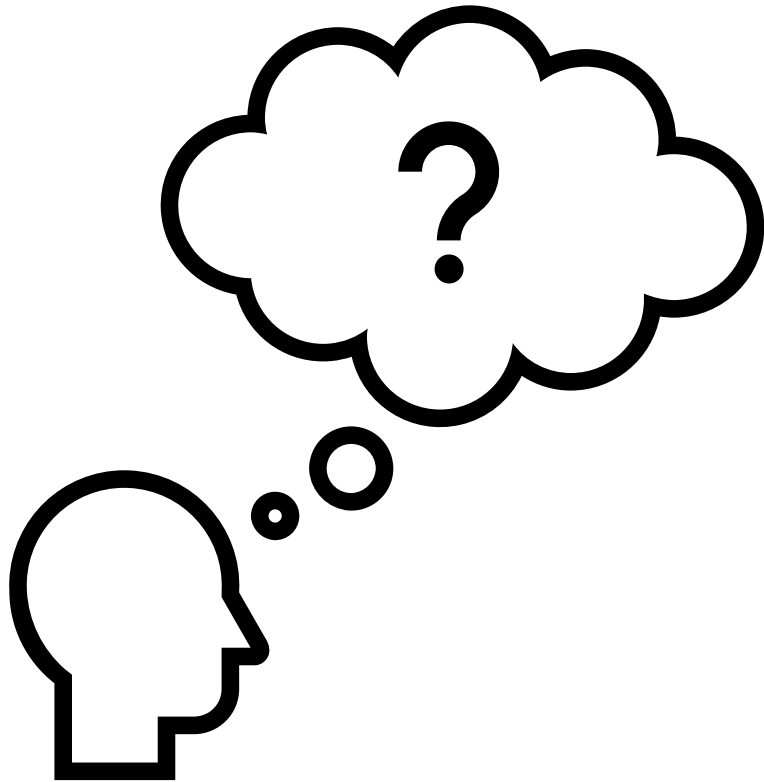


Inflation getting worse recently



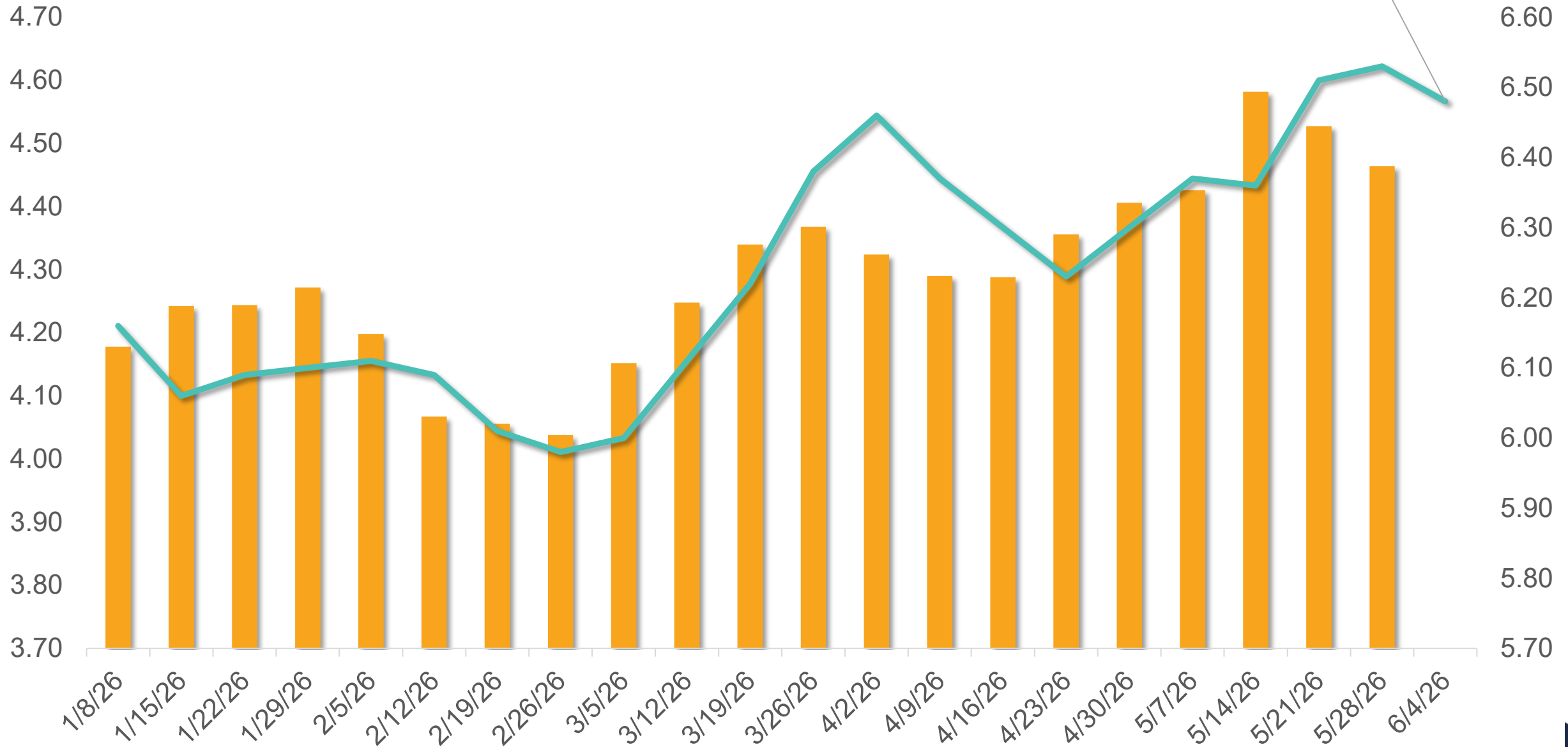
What is the steady state for rates?

Anatomy of Long-Term Rates



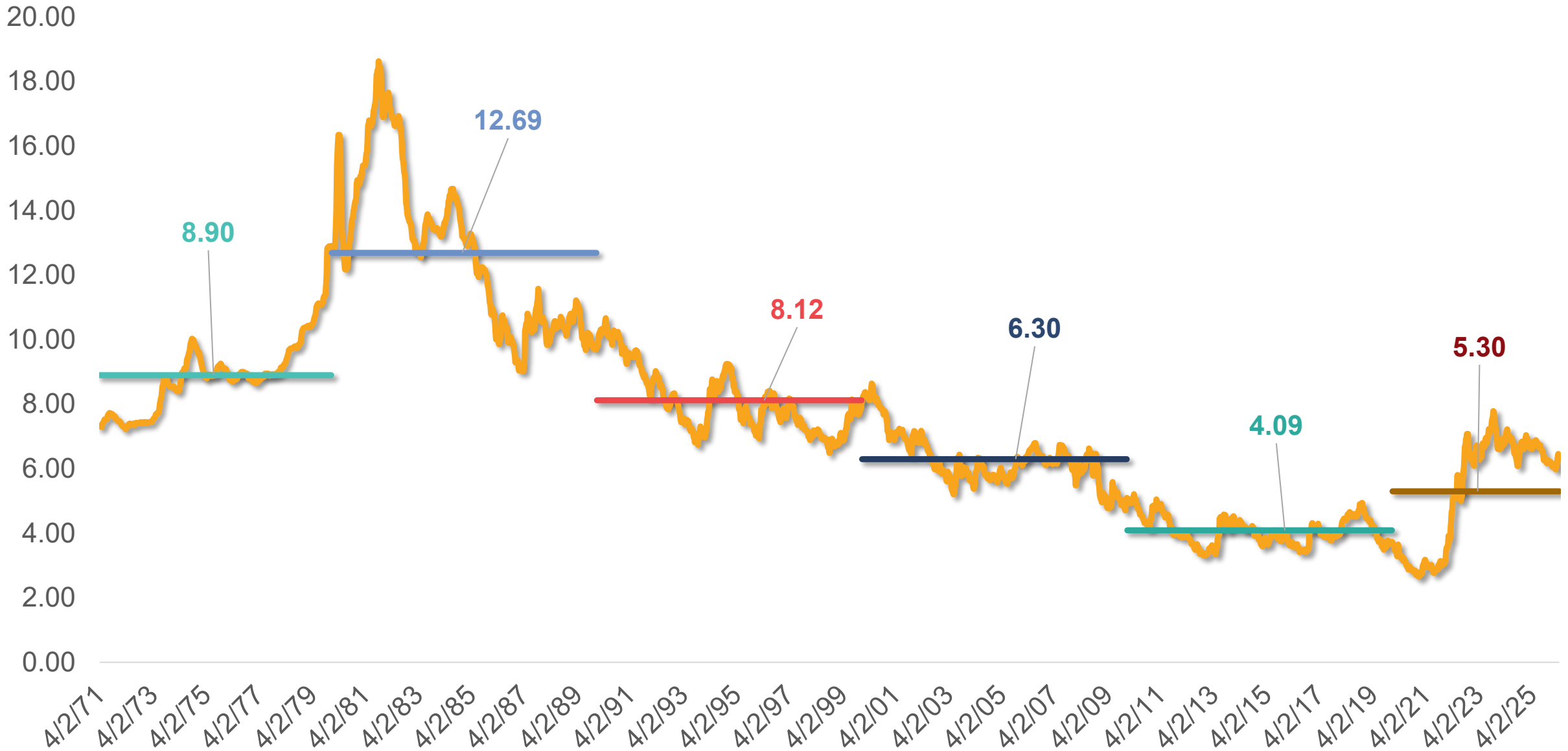
Selected U.S. Interest Rates

10-Yr Treasury 30-Yr FRM



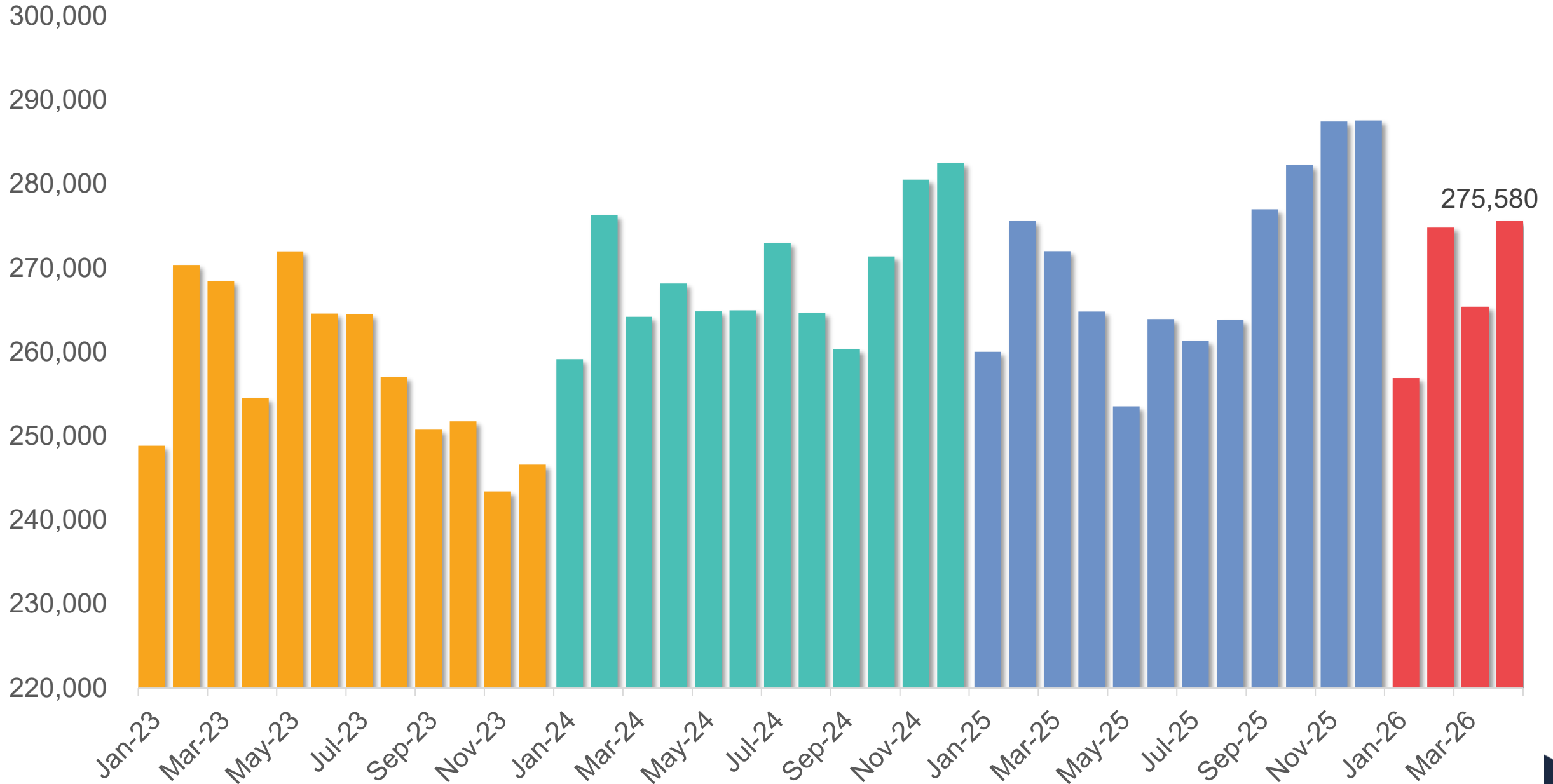
30-Year Fixed Rate Mortgage Rates

— 30-Yr FRM — 1970s — 1980s — 1990s — 2000s — 2010s — 2020s

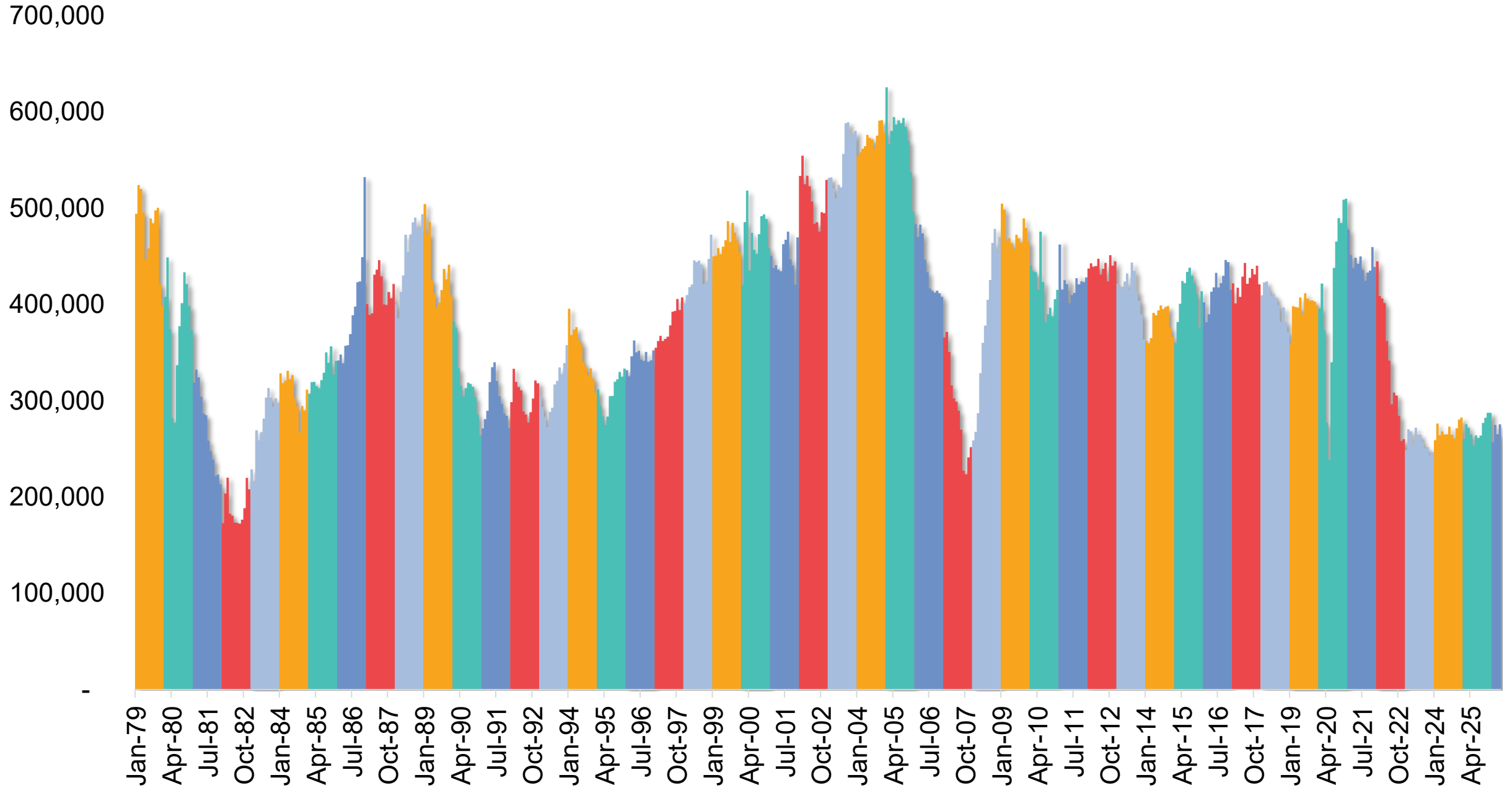


Which brings us to housing

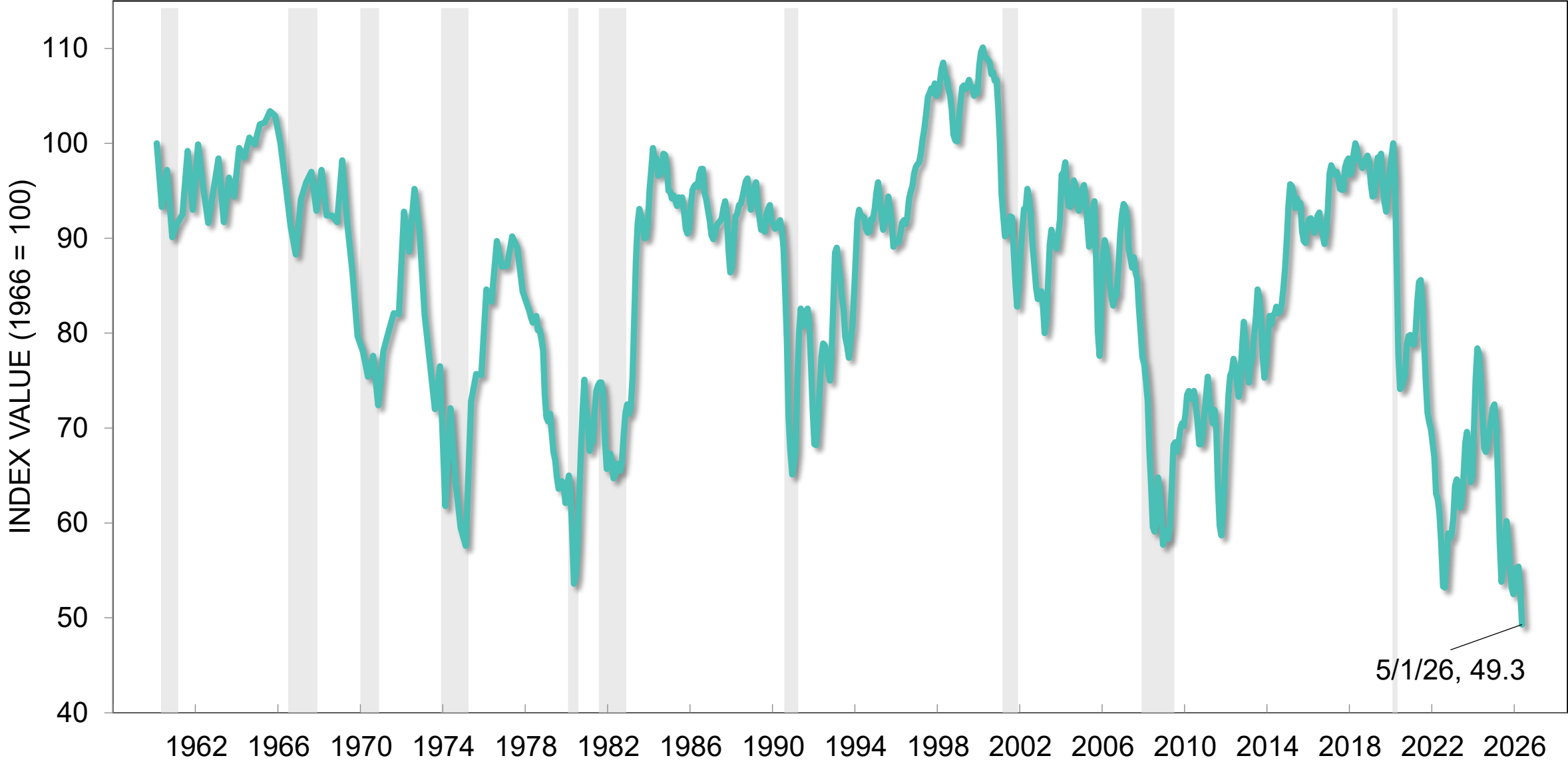
California Existing SFR Home Sales



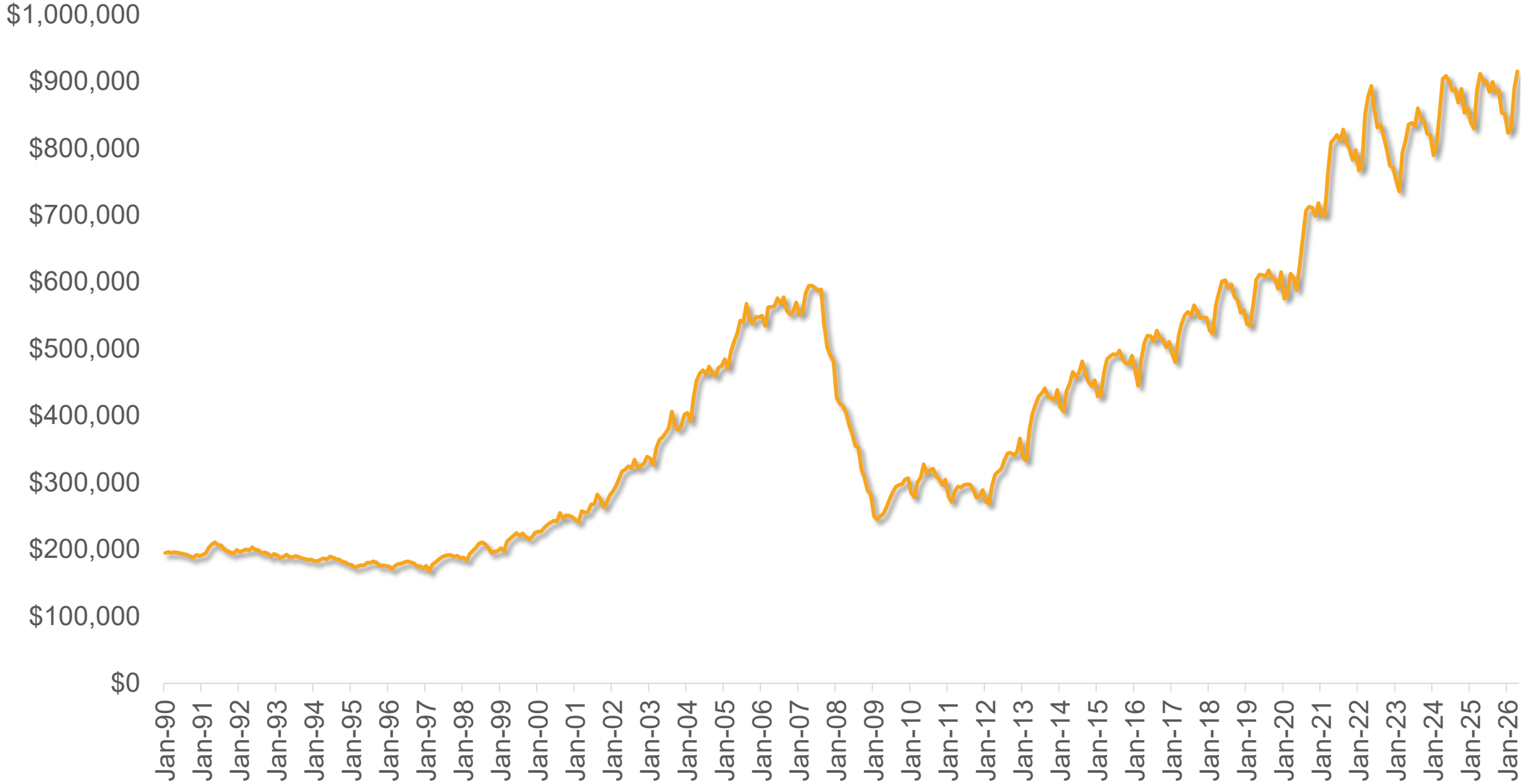
California Existing SFR Home Sales



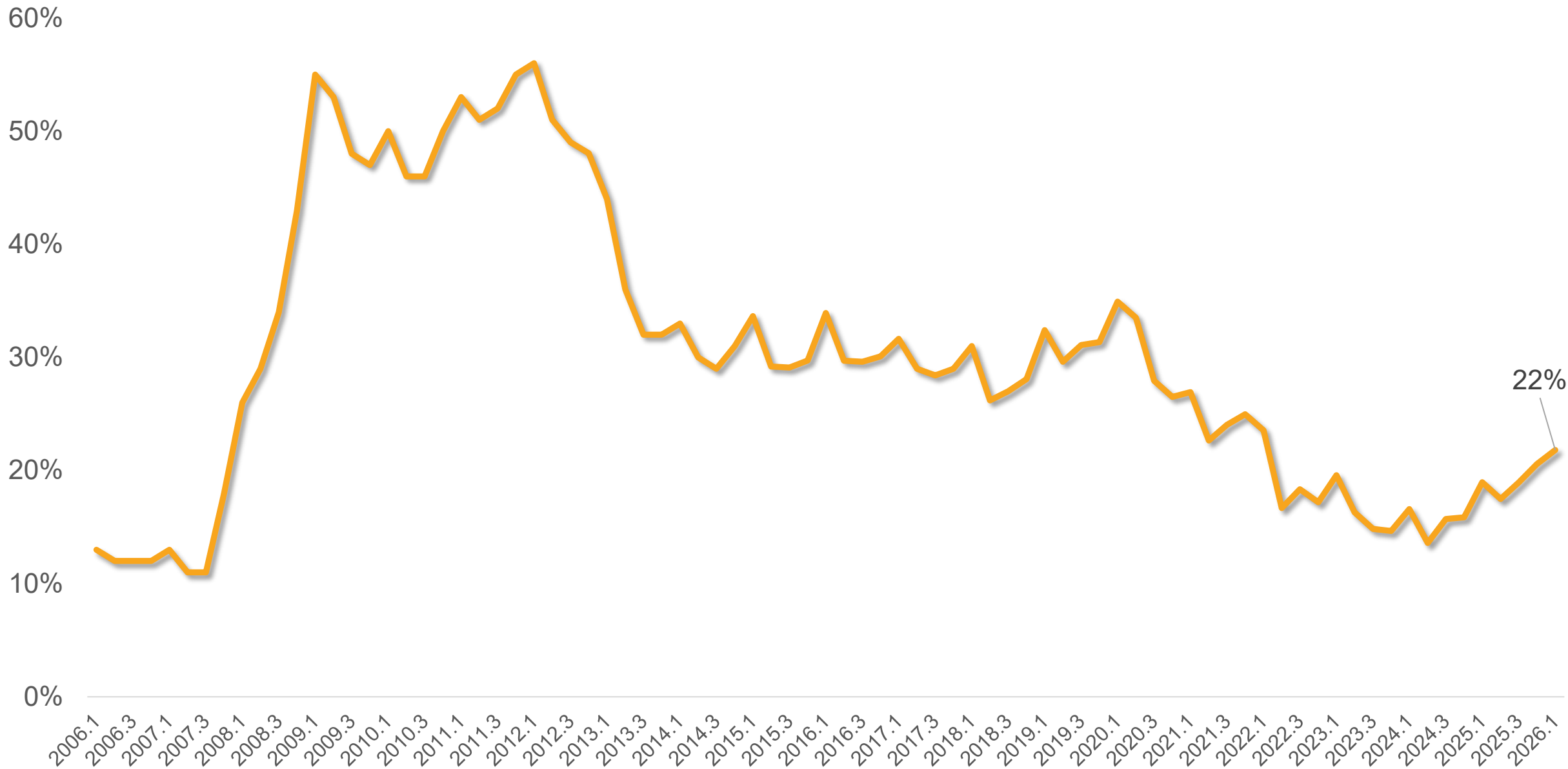
THE INDEX OF CONSUMER SENTIMENT



California Existing SFR Median Sales Price

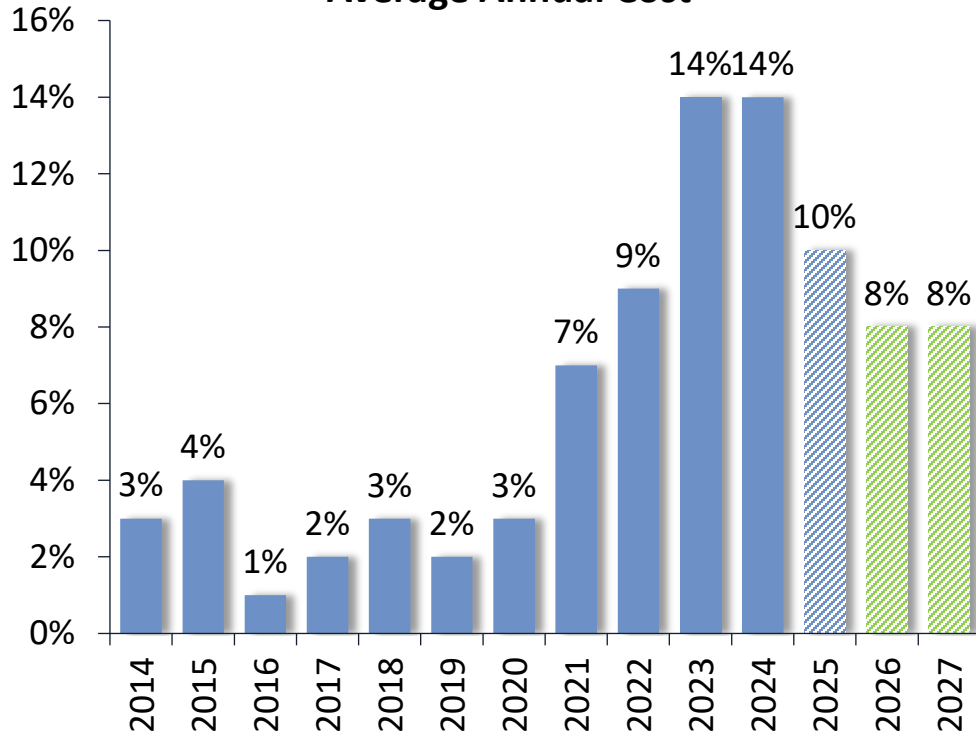


California Traditional Housing Affordability Index (20% Down, 30% DTI, 1.38% T&I)



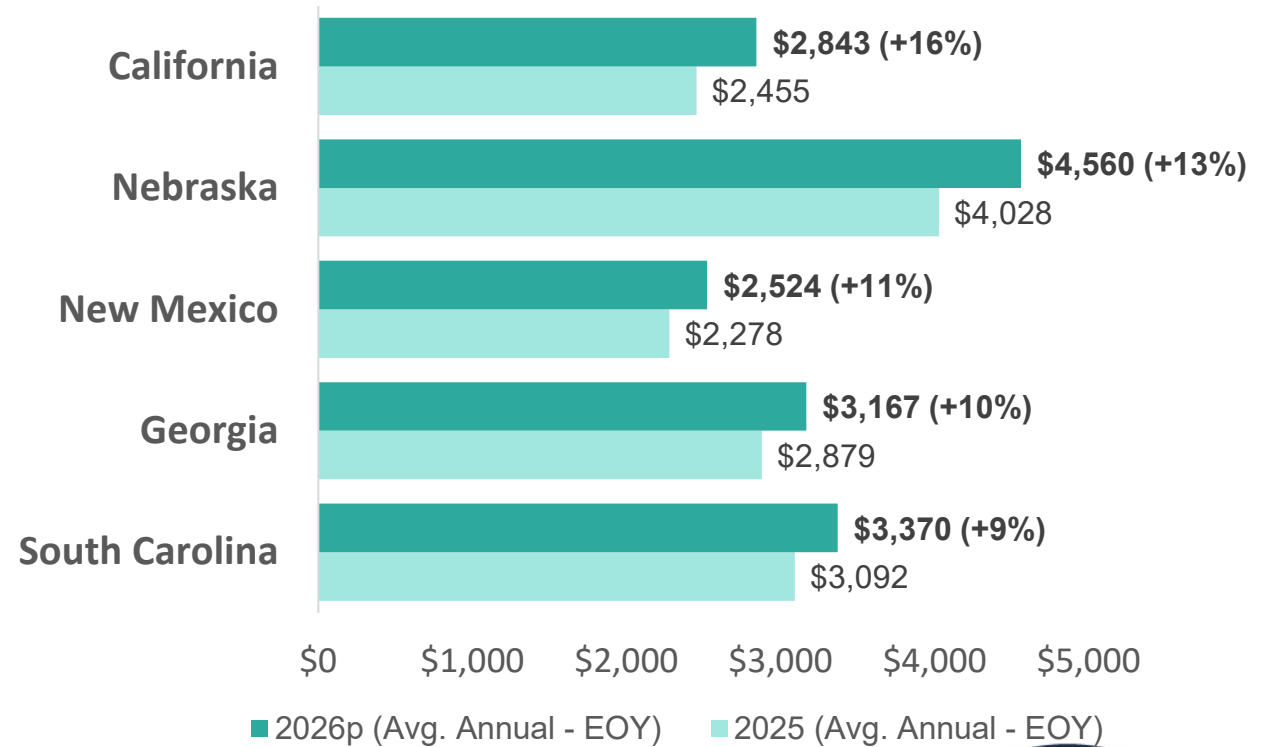
Insurance premiums will continue to climb in 2026

**U.S. Homeowners Insurance:
Average Annual Cost**



SOURCE: National Association of Insurance Commissioners, Cotality

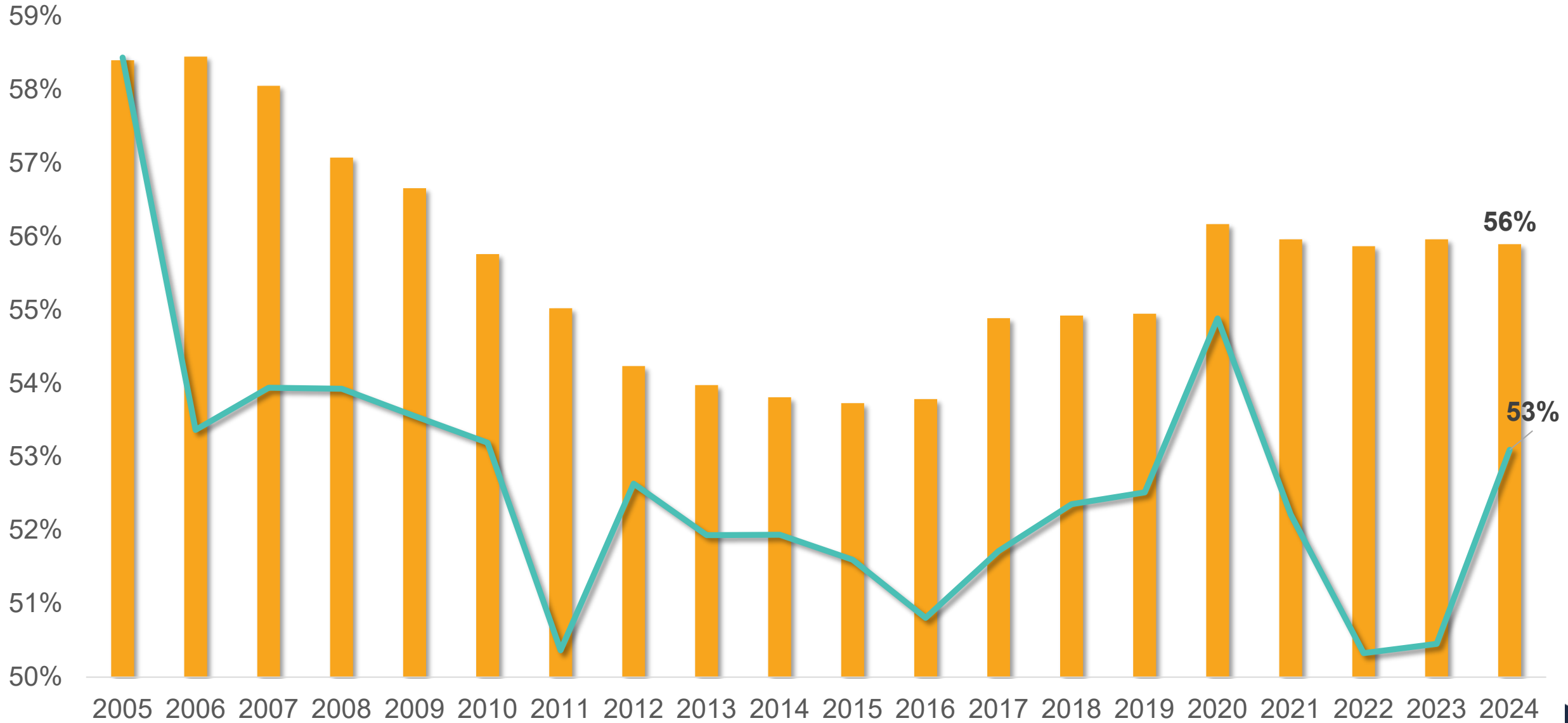
Top 5 states with highest increase in insurance cost



SOURCE: Insurify, Quadrant

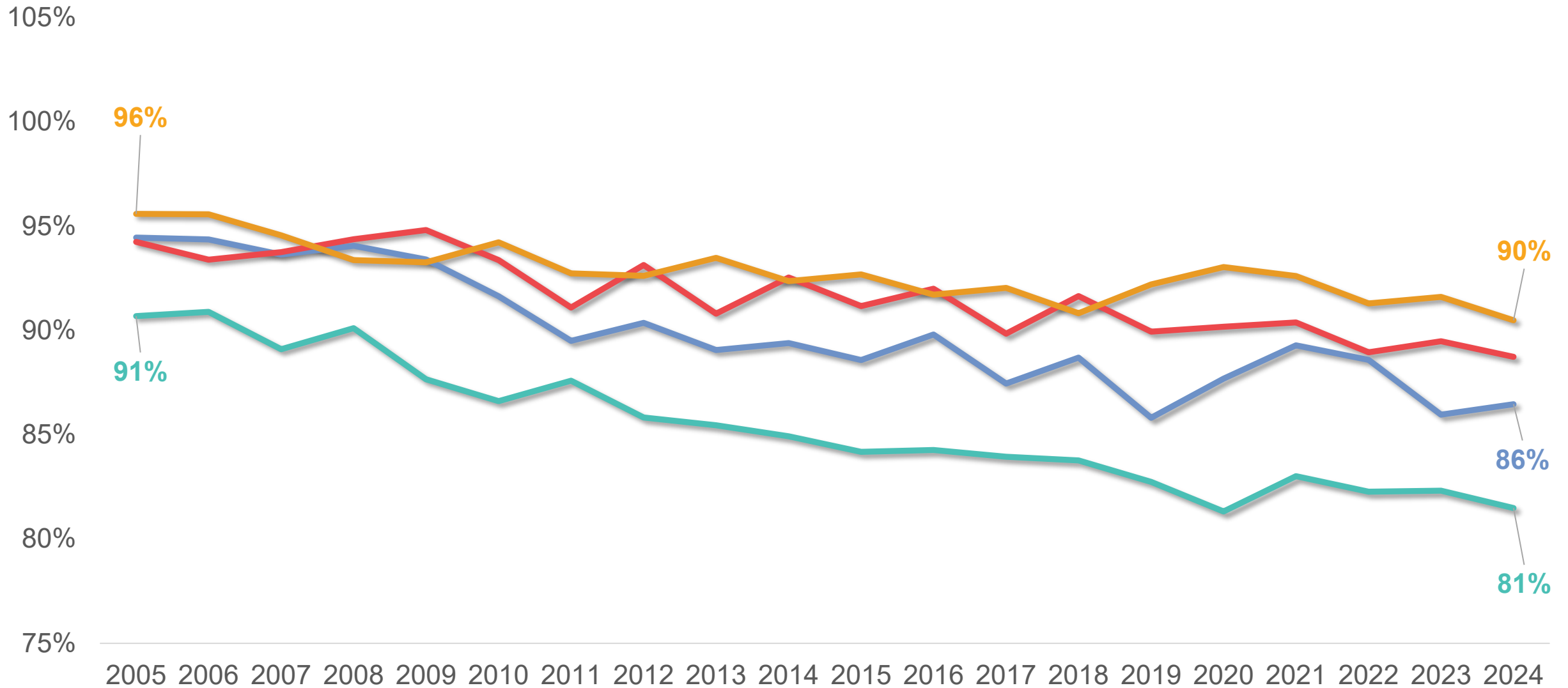
Homeownership Rate

■ CA



California Homeownership Rate by Age \$250,000 Household Income Households Only

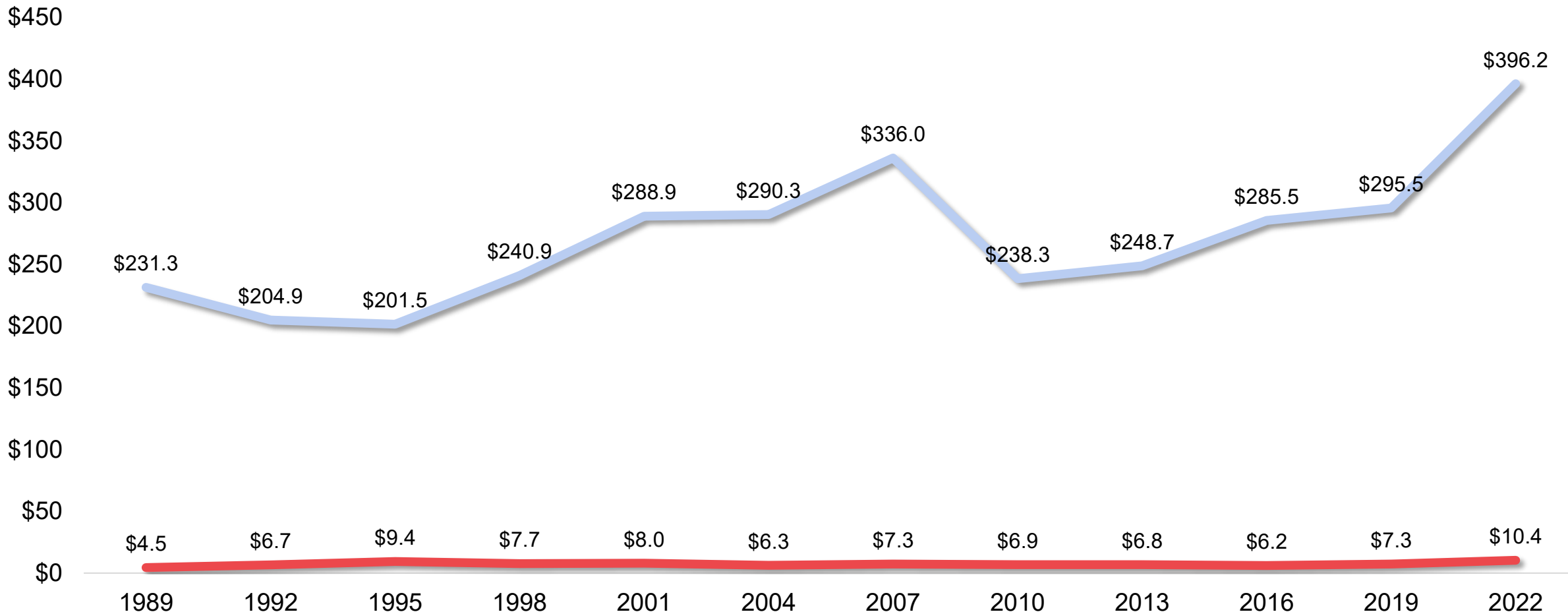
30-39 40-49 50-54 55-59 60+



The benefits of homeownership are well documented

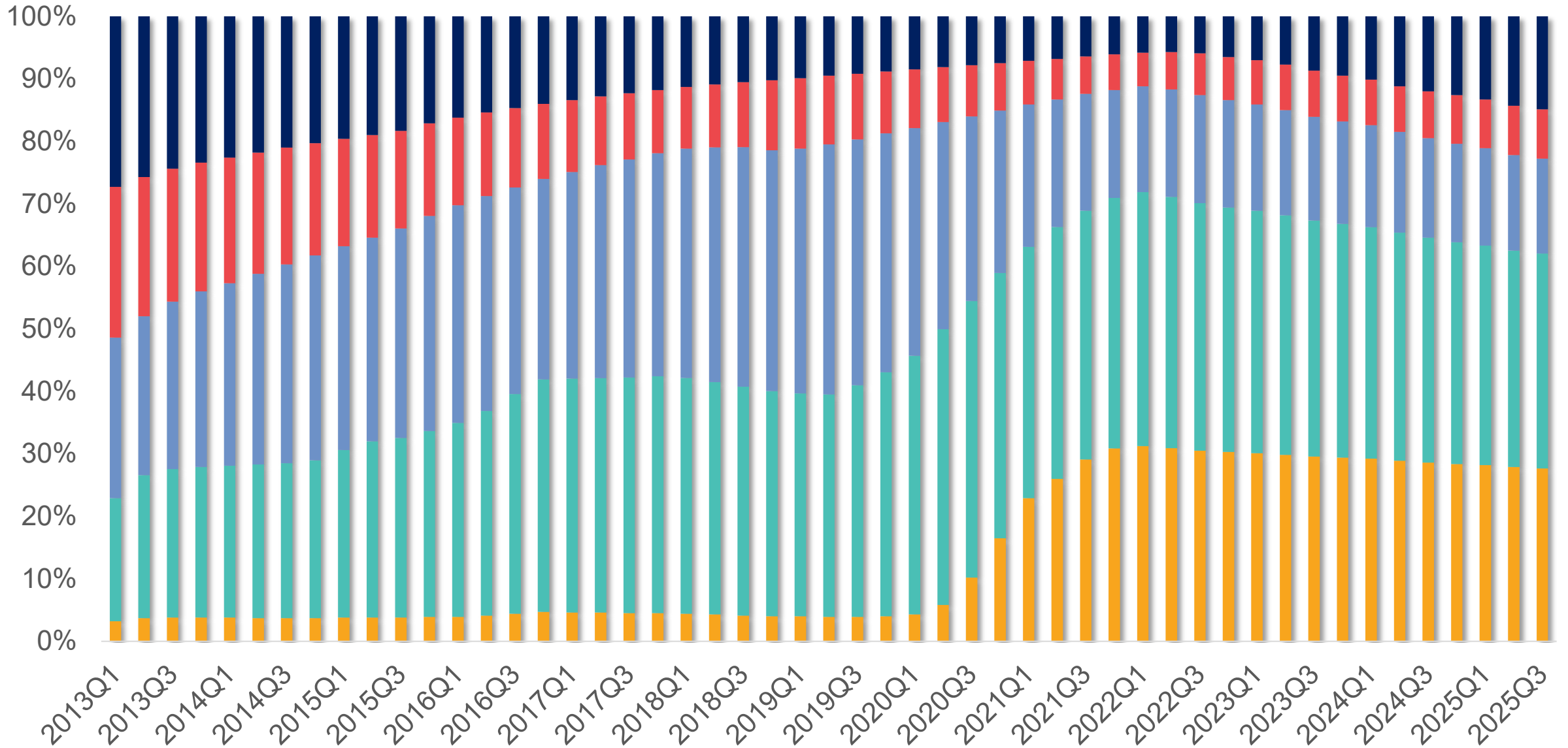
Real Household Net Worth Per Capita

— Owner — Renter/Other

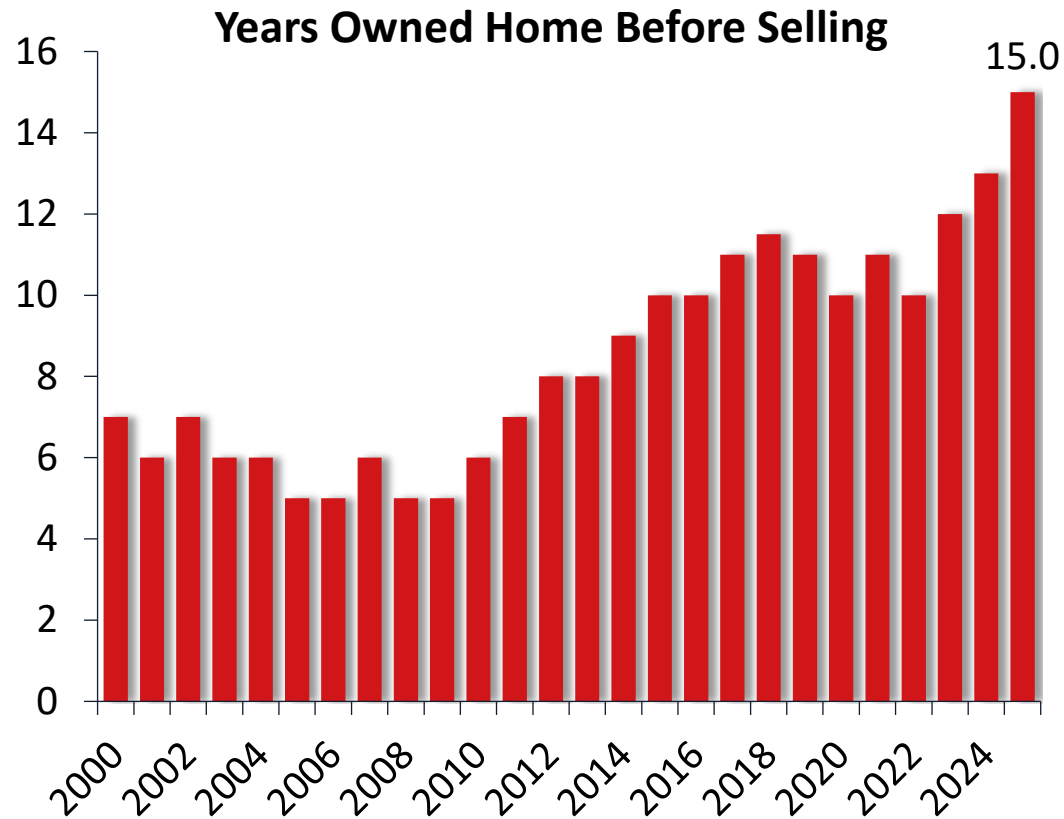


California Outstanding Mortgages by Current Interest Rate

< 3% 3-4% 4-5% 5-6% > 6%



Sellers' housing tenure all-time high



Homeowners holding onto their properties longer before selling because:

- Low rate on current mortgage
- Low property taxes
- Capital gains hit
- Where can I afford to go?
- Remodel and stay

SERIES: 2025 Housing Market Survey

SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

Stay Up to Date w/Research & Economics Resources

Weekly Market Minute

<https://www.car.org/marketdata/marketminute>

Housing Market Overview

<https://www.car.org/marketdata/interactive/housingmarketoverview>

Housing Matters Podcast

<https://www.car.org/marketdata/podcast>

Purchasing Power Calculator

<https://www.car.org/marketdata/interactive/interestrateaffordability>

Thank You!!

Thank You!!

Forms & Legal Update

Neil Kalin

Assistant General Counsel

CALIFORNIA ASSOCIATION OF REALTORS®



STEPS June 10, 2026

Standard Forms Update Agenda

- Residential Purchase Agreement
 - Para. 3G(2) Other seller credits/payments
 - Para. 3L(2) Appraisal Contingency gap
 - Various. Septic, Well, Propane questionnaire
 - Para. 8. Loan contingency appraisal/insurance limits
 - Para. 19 Residential real estate reporting for cash transaction
- Assignments
 - BRBC compensation
 - AOAA buyer/assignee representation
 - RPA, 3K and 23
- Release date, resources and webinars

Residential Purchase Agreement

Paragraph 3

G SELLER PAYMENT TO COVER BUYER EXPENSES AND COSTS				
G(1)	5E	<input type="checkbox"/> Seller Credit to Buyer	\$ _____	For closing costs
G(2)		<input type="checkbox"/> Other Seller Credits/Payments (does not include buyer broker compensation)	\$ _____ For: _____ \$ _____ For: _____	
G(3)	18A	<input type="checkbox"/> Seller Payment to Compensate Buyer's Broker	Seller agrees to pay Buyer's Broker, out of the transaction proceeds, ____% of the final purchase price AND, if applicable \$ _____ OR, if checked <input type="checkbox"/> \$ _____.	

Examples:

- \$ -- For ... interest rate buydown
- \$ -- For ... 12 months of HOA dues
- \$ -- For ... carpet/painting allowance
- \$ -- For ... "concessions"

Residential Purchase Agreement

Paragraph 3

L		CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	CONTINGENCY REMOVED
L(1)	8A	Loan(s)	17 (or _____) Days after Acceptance	<input type="checkbox"/> No loan contingency
L(2)	8B	Appraisal: Appraisal contingency based upon appraised value at a minimum: (i) purchase price; OR (ii) <input type="checkbox"/> \$ _____ less than the final purchase price "Appraisal Gap"	17 (or _____) Days after Acceptance	<input type="checkbox"/> No appraisal contingency Removal of appraisal contingency does not eliminate appraisal cancellation rights in FVAC.

Counter Offer, paragraph 1

TERMS: The terms and conditions of the above referenced document are accepted subject to the following:

- A. **LIQUIDATED DAMAGES AND ARBITRATION OF DISPUTES:** To be binding, the Liquidated Damages and Arbitration of Disputes paragraphs in the Offer each require initials by all Parties. If either of those paragraphs is not initialed by all Parties, that paragraph is excluded from the final Agreement unless initialed by all parties in the offer or in an addendum, such as the Liquidated Damages and Arbitration Agreement (C.A.R. Form LDAA).
 Liquidated Damages and Arbitration Agreement (C.A.R. Form LDAA) is attached. Unless specified otherwise, Liquidated Damages and Arbitration of Disputes paragraphs may be signed in counterparts.
- B. **DOWN PAYMENT; LOAN AMOUNT; DEPOSIT; CREDITS:** Unless Otherwise Agreed or altered in another Counter Offer, the down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but the dollar amount of any initial and increased deposit and Seller credits shall remain unchanged from the original Offer.
- C. **APPRAISAL CONTINGENCY/GAP:** Unless Otherwise Agreed, if, in the original offer, the appraisal contingency amount is calculated using an Appraisal Gap, then the dollar amount of the Appraisal Gap shall be deducted from the final purchase price to determine the appraisal contingency amount.
- D. **OTHER TERMS:** _____

Residential Purchase Agreement

RPA # 3

Q(16)	110	<input type="checkbox"/> Septic, Well, Propane Tank, and/or Property Boundaries (Survey)	See Septic, Well, Propane Tank, and Property Boundaries Inspection and Allocation of Costs Addendum (C.A.R. Form SWPI-C).
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RPA # 11

Number and Questionnaire (C.A.R. Form SWPI-Q).

- O. SEPTIC TANK, WELL, PROPANE TANK:** For properties with any septic tank system(s), or well(s), or propane tank(s), Seller shall, within the time specified in paragraph 3N(1), Deliver to Buyer all known information about such system(s) and/or item(s). Seller shall use the Septic, Well, Propane Tank Questionnaire (C.A.R. Form SWPI-Q).

SPQ, para. 8

Explanation, or if (in checked) see attached.

- 8. STRUCTURAL, SYSTEMS AND APPLIANCES:** **ARE YOU (SELLER) AWARE OF...**
- A.** Defects in any of the following (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors, or appliances Yes No
- B.** The existence of a solar power system (if yes, Seller to provide C.A.R. Form SOLAR)..... Yes No
- C.** The existence of a septic system, well, or propane tank (if yes, Seller to provide C.A.R. Form SWPI-Q)..... Yes No

Septic, well, etc.



SEPTIC, WELL, AND PROPANE TANK QUESTIONNAIRE (C.A.R. Form SWPI-Q, 6/26)

QUESTIONNAIRE

This disclosure is made in connection with the real property described as: Assessor's Parcel No. situated in the City of County of California ("Property").



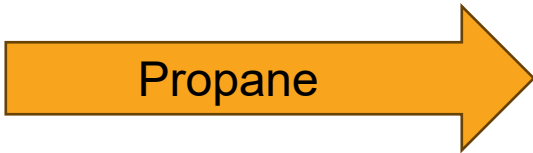
- 1. DISCLOSURE LIMITATION: The following are representations made by the Seller...
2. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of..."
3. SEPTIC SYSTEM (IF APPLICABLE): A. Whether there are multiple septic systems on the Property... B. The time of installation or any work on the system... C. The type of septic system... D. The type of material the septic system is made of... E. The size/capacity of the septic tank... F. The type of disposal area... G. If there are leach lines/fields... H. Whether the septic system has ever backed up or failed... I. Whether the septic tank has been pumped... J. Whether there is a grey line diversion system... K. Whether the installation or any repairs were done without proper permits... L. Whether it has ever been inspected/certified... M. Whether the jurisdiction... N. Whether the property will be required to be connected to sewer... O. Any other material facts related to the septic system.

ARE YOU (SELLER) AWARE OF...

Well

4. WELL (IF APPLICABLE):
- A.** Whether the well or any portion of it (or the source of water) is located off of the Property Yes No
If Yes to 4A, and if known, what is the location of the well or water source? _____
- B.** Who owns the well? Yes No
If Yes, is it owned by Seller, Shared ownership with neighbors, Other _____
- C.** Whether there is an arrangement/agreement with others for sharing/using the water Yes No
If Yes, there is a Mutual Water System, Easement, Use agreement with neighbors, Other _____
- D.** The age of the well Yes No
If Yes, what is the age? _____
- E.** The approximate depth of the well Yes No
If Yes, what is the approximate depth? _____
- F.** Whether there is a working pump Yes No
(1) If Yes, and if known, the age of the pump _____
(2) If Yes, and if known, the approximate location and how deep the pump reaches _____
- G.** Whether the well has ever dried up or run out of water Yes No
If Yes, how often (or under what circumstances) does this occur? _____
- H.** Whether there are any water tanks Yes No
(1) If Yes, and if known, indicate:
(A) Whether it is permanent Yes No
(B) Whether it is owned by Seller Yes No
(C) The age of the tank _____
(D) The size/capacity of the tank (e.g. gallons) _____
(E) The last inspection date of the tank, if any _____
(F) The location of the tank and whether it is underground _____
(G) The material of the tank (polyurethane, metal, wood, cement, etc.) _____
(H) Indicate the number of tanks _____
(If more than one, provide answers to questions (A)-(F) above for each additional tank in the explanation section below below)
- (2) If Yes, whether water has been hauled (or trucked in) to fill the tank Yes No
(A) If Yes, when was the last time the tank was filled? _____
(B) If more than once, how often is the tank filled? _____
- I.** Whether the well has ever been serviced Yes No
(1) If Yes, when was the last service? _____
(2) If Yes, who serviced the well? _____
- J.** Whether the water in the well has previously been tested or treated Yes No
- K.** Whether there is a filtration system Yes No
- L.** Whether the well is metered Yes No
- M.** Whether there are multiple wells on the Property Yes No
(1) If Yes, are any wells inoperable? Yes No
(2) If Yes, and if known, where are any other wells located? _____
- N.** Whether there are any other ongoing bills/costs related to the well or water Yes No
- O.** Whether it is located in close proximity to a septic system, leach lines, or any other factor that may impact the quality of water Yes No
- P.** Whether there is an agricultural well or whether the well contains non-potable water Yes No
- Q.** Whether any well contains non-potable water Yes No
- R.** Whether there is any other source of water Yes No
- S.** Whether the jurisdiction (city or country) where the Property is located has any ordinance or other requirements related to maintenance, inspection, or testing of the well or the water in the well Yes No
- T.** Whether there are any water conservation requirements Yes No
- U.** Whether the installation or any repairs were done without proper permits Yes No
- V.** Any other material facts related to the well Yes No

ARE YOU (SELLER) AWARE OF...



ARE YOU (SELLER) AWARE OF...

i. **PROPANE (IF APPLICABLE):**

A. Whether the propane tank is: Leased or Owned

(1) If Leased is checked, and if known, indicate:

(A) The entity from whom the tank is leased _____

(B) The term of the lease _____

(C) The approximate cost/fee paid to the entity _____

(D) Is the lease transferable? Yes No Unknown

(E) If it is in your possession, provide a copy of the lease agreement _____

(2) If Owned is checked, are there any other ongoing costs/fees other than purchasing propane Yes No

B. The approximate age of the propane tank Yes No
If Yes, the approximate age is: _____

C. The approximate size/capacity of the propane tank Yes No
If Yes, the approximate size/capacity is: _____

D. Who the current propane provider is Yes No
If Yes, the name of the provider is: _____

E. The location of the propane tank and whether it is underground Yes No
If Yes, where is the tank located? _____

F. Whether there have been any problems or repairs related to the propane tank Yes No

G. Any other material facts related to the propane tank Yes No

Explanation: _____

Residential Purchase Agreement

CONTINGENCIES AND REMOVAL OF CONTINGENCIES:

A. LOAN(S):

- (1) This Agreement is, unless otherwise specified in paragraph 3L(1) or an attached CR-B form, contingent upon Buyer obtaining the loan(s) specified. If contingent, Buyer shall act diligently and in good faith to obtain the designated loan(s). **If there is no appraisal (or insurance) contingency or the appraisal (or insurance) contingency has been waived or removed, then failure of the Property to appraise at the purchase price (or a lender conditioning the loan on obtaining insurance) does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan and Buyer is able to satisfy lender's non-appraisal (or non-insurance) conditions for closing the loan.**
- (2) Buyer is advised to investigate the insurability of the Property as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Property, including fire insurance, is part of Buyer's Insurance contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Insurance contingency but not the loan contingency.

Paragraph 8

If buyer cannot use primary contingency to cancel,
... buyer should not be able to use secondary
contingency to cancel because of failure of primary
contingency

Residential Purchase Agreement

Paragraph 19D

D. FEDERAL RESIDENTIAL REAL ESTATE REPORTING:

- (1) **REPORTING RULE:** if in force, pursuant to rules issued by the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of the Treasury ("Treasury"), a "Reporting Person" (typically the escrow or title company responsible for closing) is required to report to FinCEN certain information about the Buyer and Seller if the following conditions occur: (i) The property being purchased is real property with one to four residential units, or vacant land for which the transferee intends to build residential real property with one to four units, or shares in a cooperative housing corporation; (ii) the buyer is a legal entity or trust; and (iii) the buyer is making an "all-cash" purchase or financing the purchase through a lender that does not have an independent reporting obligation, such as a hard-money lender or seller financing.
- (2) **CONTRACTUAL REQUIREMENTS:**
 - (A) The Reporting Person may request data from Buyer and Seller even if the reporting requirements are being legally challenged. Buyer and Seller shall, within **7 Days** after receiving a request for FinCEN information from the Reporting Person for the transaction, deliver to the Reporting Person all necessary information to satisfy the reporting requirements. Buyer to pay for any charge made by the Reporting Person for such collection, and if applicable, reporting;
 - (B) Buyer and Seller agree to make a good faith effort to acquire such information from any entity, beneficial owner, trustee or signing party that is not Buyer or Seller;
 - (C) If the Reporting Person notifies a Buyer or Seller that the other has failed to provide such information, the performing Buyer or Seller may cancel after first giving the non-performing Buyer or Seller a notice to perform. Any Buyer or Seller who fails to provide the requested information for themselves may be in breach of contract.
- (3) **ESCROW COMPLIANCE:** Buyer and Seller are advised that the Reporting Person is authorized not to close escrow if the requested information is not provided in full, regardless of whether due from Buyer or Seller or another person on their behalf.

December 2025 Original implementation date
March 1, 2026 Revised implementation date
Florida case. Texas case 1. Valid.
Texas case 2. March 18, 2026. Vacate, nationwide.
FinCEN website – stay
FNF – appeals Florida case.
FinCEN appeals Texas 2 case.
FinCEN website. Further instructions if successful.

Buyer Representation and Broker Compensation Agreement

Paragraph
4B

- Communicating with seller or seller's agent regarding Buyer's potential acquisition of the property.
- (5) **BUYER ASSIGNMENT:** Unless otherwise agreed, if Buyer assigns Buyer's rights to purchase any property described in this Agreement for which Buyer has entered into a contract to purchase, then Broker shall be entitled to the compensation specified in paragraph 2E(1). Such compensation shall be reduced by any amounts the assignee pays to Broker.

Residential Purchase Agreement

Paragraph
3K, 23

J	16	Final Verification of Condition	5 (or _____) Days prior to COE
K	23	Assignment Request	17 (or _____) Days after Acceptance

ASSIGNMENT/NOMINATION: Buyer shall have the right to assign all of Buyer's interest in this Agreement to Buyer's wholly-owned entity or trust that exists at the time of such assignment. Otherwise, Buyer shall not assign all or any part of Buyer's interest in this Agreement without first obtaining Seller's separate written consent to a specified assignee (C.A.R. Form AOAA). Buyer shall, within the time specified in paragraph 3K, Deliver to Seller any request to assign this Agreement. Seller shall not unreasonably withhold such consent. Prior to any assignment, Buyer shall disclose to Seller the name of the assignee and the amount of any monetary consideration between Buyer and assignee. Seller's withholding of consent shall be deemed reasonable if: (i) Buyer is to receive any monetary or other consideration for the assignment; (ii) Buyer makes any misrepresentation(s) to Seller about any aspect of the assignment; or (iii) Buyer Delivers an assignment request to Seller after the time specified in paragraph 3K. Buyer shall provide assignee with all documents related to this Agreement including, but not limited to, the Agreement and any disclosures. If assignee is Buyer's wholly-owned entity or trust, that assignee does not need to re-sign or initial all documents provided. Whether or not an assignment requires seller's consent, at the time of assignment, assignee shall deliver a letter from assignee's lender stating assignee is preapproved or prequalified as specified in paragraph 6B. Should assignee fail to deliver such letter, Seller, after first giving assignee a Notice to Buyer to Perform, may terminate the assignment. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless Otherwise Agreed by Seller. Parties shall provide any assignment agreement to Escrow Holder within 1 Day after the assignment. Any nomination by Buyer shall be subject to the same procedures, requirements, and terms as an assignment, as specified in this paragraph.

Assignment of Agreement Amendment

Paragraphs
4 and 5

Financing
assignment –
additional
party
v.
Wholesaler

4. ASSIGNEE REPRESENTATION:

A. Buyer's Broker will represent Assignee in the purchase of the Property. Assignee assumes and agrees to perform and observe all of the obligations and covenants of Buyer pursuant to the buyer representation agreement (C.A.R. Form BRBC or PSRA or other agreement), including the obligation to pay Broker compensation. Buyer acknowledges and agrees that, notwithstanding Assignee's assumption of the buyer representation agreement, Buyer is not released from any obligations or covenants under that agreement.

OR B. Buyer's Broker will not represent Assignee in the purchase of the Property and shall have no agency duties to Assignee.

(1) Assignee is not, at this time, represented by a real estate broker.

OR (2) Assignee will be represented by _____ ("Other Broker").

(3) Any questions that Assignee may have regarding the scope of that representation or the purchase should be directed to (i) Seller's broker, if **paragraph 4B(1)** applies and Assignee is unrepresented; or (ii) Other Broker if **paragraph 4B(2)** is checked.

C. Unless Otherwise Agreed, Seller's obligation, if any, to pay compensation to Buyer's Broker shall not be altered by this assignment. Other Broker, if any, shall be compensated under the terms of their agreement with Assignee.

D. Other Broker, if any, shall: (i) provide a "Disclosure Regarding Real Estate Agency Relationship" (C.A.R. Form AD) to Assignee, and (ii) confirm the agency relationship with Assignee using the (attached) Confirmation of Real Estate Agency Relationships (C.A.R. Form AC) in which any reference to Buyer shall be deemed to be to Assignee.

5. ADDITIONAL TERMS:

A. For Seller's benefit, Assignee represents that Assignee ratifies and approves as Assignee's own acts all Buyer's prior approvals and acts pursuant to the Agreement up to and including the date of this Assignment.

B. Assignee assumes and agrees to perform and observe all of Buyer's obligations and covenants in the Agreement to be performed after the date of this Assignment.

C. Buyer acknowledges and agrees that, notwithstanding Seller's agreement to this Assignment, Buyer is not released from any obligations or covenants under the Agreement.

D. Other terms: _____

E. The parties acknowledge and agree that they have been advised to review this Assignment with a qualified California real estate attorney and/or accountant prior to signing this Assignment. The Brokers and agents make no representation as to the propriety, adequacy, legality, or tax consequences of this Assignment.

C.A.R. Resources

June forms' drafts:

- <https://www.car.org/transactions/standard-forms/summary-forms-releases-chart/June-2026-Forms-Release>

June forms' Quick Summary:

- <https://www.car.org/-/media/CAR/Documents/Transaction-Center/PDF/Standard-Forms/Spring-2026/Quick-Summary-6-2026.pdf>

Legal Webinar: Tuesday, June 9, 1:30 – 2:30 pm.

- <https://www.car.org/riskmanagement/live> OR
- https://carorg.zoom.us/webinar/register/WN_uHh3XC9UQUuoqVZmCTtSDg#/registration

STEPS to Financing the Dream of Homeownership – Lending Arena Speakers



Dr. Vanessa Montañez

S.V.P Head of
Community Lending

Citi National Bank



Cynthia Leal

Managing Originator

Guild Mortgage



Stan Melad

Sr. Home Lending
Advisor

Chase Home Loans



Faramarz Moeen-Ziai

Owner Loan Originator

FMZ Loans



Abel Fregoso Jr.

Sr. Loan Originator

PRMG

STEPS to Financing the Dream of Homeownership – Advisor / DPA Arena Speakers



Rolanda Wilson

Sr. Housing
Counselor & Board
Member, REALTOR®

*NID Housing
Counseling Agency*



Chris Cook

Executive Vice
President

Liberty Title



Sean Moss

Executive Vice President

Down Payment
Resource



Molly Ellis

Lender Services
Manager – Single
Family

California Housing
Finance Agency
(CalHFA)



Meagan Harris

Sr. Program
Administrator

*Golden State
Finance Authority
(GSFA)*

STEPS to Financing the Dream of Homeownership – CALIFORNIA ASSOCIATION OF REALTORS® Leadership



Neil Kalin

Assistant General
Counsel

California
Association of
REALTORS®



Sara Sutachan

S.V.P. & Chief
Strategy Officer

California
Association of
REALTORS®



Jordan Levine

S.V.P. & Chief
Economist

California
Association of
REALTORS®

Legal Resources

[Legal Tools](#)

[Wild Fires](#)

[Quick Guide Balconies Law](#)

[2026-New-Laws](#)

Lending Terms /Abbreviations

- **AUS – Automated Underwriting System**
- **LPA – Loan Prospect Advisor (previously – Loan Prospector LP) (Freddie)**
- **DU – Desktop Underwriter (Fannie)**
- **GUS – Government Underwriting System**
- **FICO – Fair Isaac Company (Loan Scoring Model Used By a Majority of Lenders / Investors)**
- **DPA – Down Payment Assistance**
- **MI – Mortgage Insurance**
 - **UFMIP - Up-Front Mortgage Insurance (FHA Loans)**
 - **MMI – Monthly Mortgage Insurance (FHA Loans)**
 - **PMI – Private Mortgage Insurance (Conventional Loans) - LPMI – Lender Paid Mortgage Insurance**
- **OO - Owner Occupied Borrower / Co-Borrower**
- **NOO – Non-Owner-Occupied Borrower / Co-Borrower**
- **FTHB – First Time Home Buyer**
- **CalHFA – California Housing Finance Agency**
- **GSFA – Golden State Finance Authority (Platinum)**
- **Flipping – Selling within 3 months, with large value increase, may trigger Lender RED Flags**
- **Calculations**
 - **DTI – Debt to Income LTV – Loan to Value and Combined Loan to Value (CLTV)**
 - **PITIA w/MI – Principal, Interest, Taxes, (Hazard) Insurance, Association Fees, and Mortgage Insurance**

2026 Conforming & High Balance Loan Limits by County for Freddie & Fannie

(applications available 12/7/2025)

The Federal Housing Finance Agency's (FHFA) announcement to **3.26%** increase the 2026 conforming loan limits for mortgages acquired by Fannie Mae & Freddie Mac to **\$832,750** on one-unit properties and a cap of **\$1,249,125** in high-cost areas. The previous loan limits were \$806,500 and \$1,209,750 respectively. Higher Loan Limits = More Properties Available to Entry Level Buyers

- **Loan Limit Counties**

- **\$1,249,125** – Alameda, Contra Costa, Los Angeles, Marin, Orange, San Benito, Santa Clara, Santa Cruz, San Francisco, San Mateo
- **\$832,750 >** San Diego, Ventura, Santa Barbara, San Luis Obispo, Monterey
- **< 1,249,125** Napa, Sonoma,
- **\$832,750 – All Remaining Counties for FHLMC/FNMA, FHA are less.**

- Link to Freddie Mac (FHLMC) / Fannie Mae (FNMA) 2026 Loan Limits

- <https://www.fhfa.gov/DataTools/Tools/Pages/Conforming-Loan-Limit-Map.aspx>

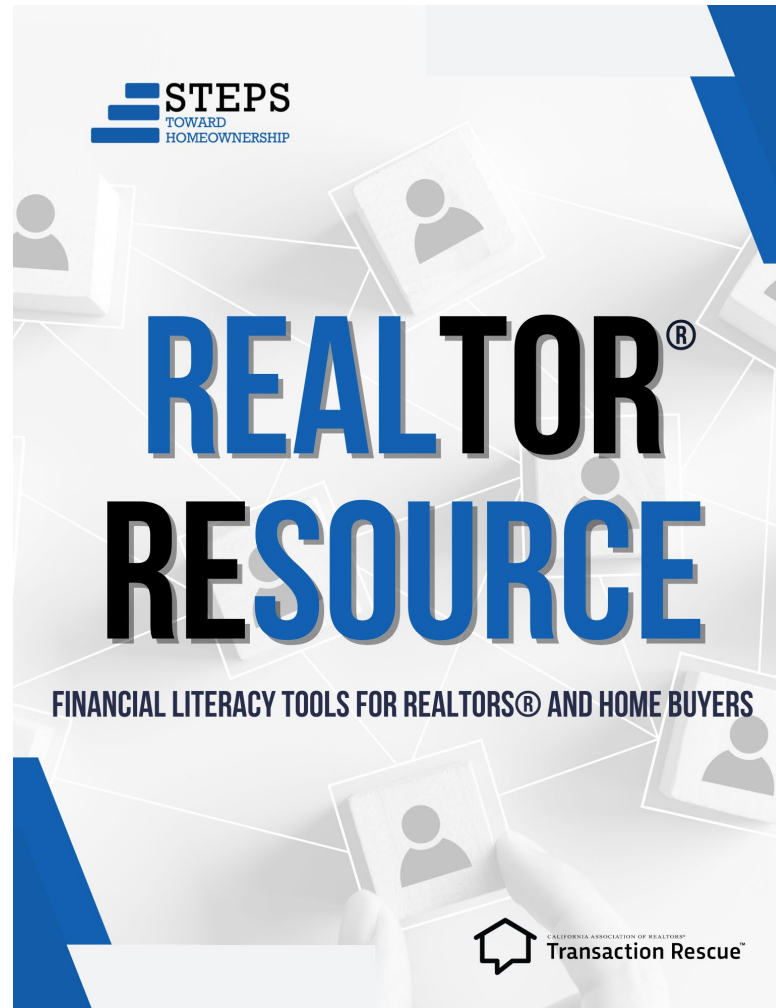
- Link to FHA Loan Limits likely change on the 15th of December for **2026 Limits – Conforming \$1,249,125 max, (for single unit) less in**



CALIFORNIA ASSOCIATION OF REALTORSSM
Transaction Rescue™

- <https://entp.hud.gov/idapp/html/hicost1.cfm>

REALTOR® Resource: Financial Literacy Tool



REALTOR® Resource: Financial Literacy Tool

A Field Guide To Identifying Mortgage-Ready Buyers

GET ANSWERS TO THESE QUESTIONS FROM YOUR BUYERS:	YES	NO
1. Do you have income sources that can be documented with current pay checks, bank statements, W2s and tax returns?		
2. Has it been at least two years since you discharged debts in bankruptcy or three years since a home you owned was foreclosed?		
3. Do you have access to down payment money from sources that can be verified and documented?		
4. Do you have at least two or three open credit accounts in good standing?		
5. Are you a US citizen, permanent resident or do you have a current work authorization card?		

If the response to these question is “yes”, send your buyer to your lender partner for pre-approval. If the answer is “no”, send them to a trusted housing or credit counselor referral partner and stay in touch with them as they resolve their issues.

REALTOR® Resource: Financial Literacy Tool

A Checklist of Serious Buyer Financing Challenges



Buyers with one or more of these issues will find it very difficult to obtain the best available terms for a conventional or government-insured loan. REALTORS® should proceed with caution before submitting purchase offers for buyers with these issues:

- ✎ The buyer is married but the non-buying spouse is not available or unwilling to cooperate with the purchase
- ✎ All of the buyer's income sources are cash
- ✎ The buyer is self-employed with minimal net business income reported in recent tax years
- ✎ The buyer plans to settle judgements and tax liens during escrow as a condition for final loan approval
- ✎ The buyer's assets are all cash and can't be sourced
- ✎ The buyer discharged a bankruptcy within the last 24 months or had a foreclosure less than three years ago
- ✎ The buyer's Social Security number is not valid
- ✎ Buyer is a non-citizen and is not a permanent resident (green card holder) and they do not have a valid work authorization card
- ✎ The property the buyer wants to purchase has serious health and safety problems, sub-standard non-permitted improvements and can not be immediately occupied by the buyers



REALTOR® Resource: Financial Literacy Tool

Checklist - Documents Required For Loan Approval



Here is a list of documents lenders will typically require from your buyers. REALTORS® can help their clients prepare for the loan application and approval process by reviewing this list with them early in the process and encouraging them to gather these documents as quickly as possible.

- Federal income tax returns for the past two years
- W2s for the past two years
- Paycheck stubs for the past two months
- Statements for all asset accounts (checking, savings, retirement) for past two months
- Other income documents such as Social Security award letters
- Names and contact information for all employers over the last two years
- All addresses used over the past two years
- Government ID and Social Security card
- Copy of finalized divorce decree, child support order, bankruptcy filings and discharge papers
- Non citizens must provide copy of resident alien (“green”) card or valid work authorization card
- Letters of explanation regarding past derogatory credit, name and address variations, recent credit inquiries, and other issues required by the underwriter
- Others as needed or requested



REALTOR® Resource: Financial Literacy Tool

A Down Payment Worksheet

Use this worksheet with your clients to help them find sources of money for their down payment

ACCEPTABLE DOWN PAYMENT SOURCES	AMOUNT	WHEN AVAILABLE
Funds currently held in their checking, savings and investment accounts	\$	
Properly documented gift funds from family members	\$	
Pending proceeds from the sale of buyer's existing real estate	\$	
Withdrawal or loan from retirement savings accounts	\$	
Income tax refund	\$	
Rental deposit refund	\$	
Down payment assistance grant from non-profit organization or qualified loan from public agency	\$	
TOTAL	\$	

REMEMBER:

Cash-on-hand ("mattress money") is generally not an eligible source of down payment funds

REALTOR® Resource: Financial Literacy Tool

C.A.R.'s Down Payment Resources Directory

HOME | MARKETING | CLIENTS | DOWNPAYMREASURE

PRINT | EMAIL | SAVE SHARE

Fill out the following 3-step pre-screening form, in order to find out if you are eligible for any of the 400+ down payment assistance programs available in California. If you are still not sure how to begin, feel free to [watch this video](#).

If you need further assistance with the Down Payment Resource Directory tool, please contact your REALTOR® or [find a local REALTOR® here](#), if you do not have one already.

Property Information | Household Information | Special Circumstances

Enter the **Street Address and Zip Code** of a specific property
 -OR-
 Start typing in the **General Search** field and pick a neighborhood, city or county from the menu.

Street Address (e.g. 123 Main Street) Zip Code

General Search (start typing for a menu of options)

Estimated sales price

Is this a Multi-Family Home? Single-Family Multi-Family

Is the home in foreclosure? Yes No

Continue

Matched Programs
53
[View Programs](#)

Within the C.A.R Tool, you can find:

- Participating Lenders
- Program Guide/Flyers
- Filters/Guidelines:
 - Special Groups (Teachers, Protectors, etc.)
 - Eligible Properties
 - Maximum Sales Price
 - Eligible Borrowers
 - Maximum Household Income
 - Loan Terms
- Benefits
- Latest Updates

FILTERS AVAILABLE		
Property Information	Actual Property	Law Enforcement
Household Information	Sales Price	Firefighter
Special Circumstances	Currently Own a Home	Healthcare
General Search - City, County, Town, etc.	Household Income	Disability
	Veteran	Military
	Educator	Energy Efficient

Steps with CalHFA

Step 1 – See If You Are Eligible.
[Eligibility Calculator](#)

Step 2 – Get Pre-Qualified
 Find a Preferred Loan Officer
[Preferred Loan Officers](#)

Step 3 – Take Homebuyer Education
[ONLINE eHome's eight-hour Home-buyer Education](#)
[IN-PERSON NeighborWorks America](#)
 or [HUD-Approved Housing Counseling Agency](#)

Step 4 – Start looking for a home
 Talk to a local Realtor to guide you through this process

Info with GSFA

We Allow:

- Condos
- PUDS
- 1-4 unit
- Manufactured Home Primary Residences

Minimum credit score of 620

Find a Participating Lender:
<http://gsfahome.org/programs/platinum/lenders.aspx>



REALTOR® Resource: Financial Literacy Tool

Tips for Credit- Challenged Buyers

Help your credit-challenged buyers with the **Stop-Start-Fix** credit improvement system

Stop adding new derogatory credit by bringing past-due balances on open accounts current, avoiding new late payments, and reducing revolving credit card balances.

Start building positive credit by having two to three credit accounts using secured credit cards if necessary, keep the balances low and maintain an on-time payment history.

Fix prior derogatory credit by selectively paying off or settling collection and charged-off account, judgements, and liens *as required by the underwriter.*

1. **DON'T** apply for new credit
2. **DON'T** pay off collections or "Charge Offs"
3. **DON'T** close credit card accounts
4. **DON'T** max out or over charge credit card accounts
5. **DON'T** consolidate your debt
6. **DON'T** do anything that will cause a red flag to be raised by the scoring system

7. **DO** join a credit watch program
8. **DO** stay current on existing accounts
9. **DO** continue to use your credit as normal
10. **DO** call your Mortgage Loan Originator. A knowledgeable, professional Mortgage Loan Originator should be able to provide you with world-class service you need to choose the loan that's right for your client



HELPFUL REFERRAL RESOURCE:

[Credit.org](https://www.credit.org) is a non-profit organization that offers a wide range of free credit counseling and financial management services

CreditSmart®

CreditSmart is a suite of free financial capability and homeownership education resources designed to empower consumers with the skills and knowledge to support them through every stage of their homeownership journey.

Every person has a unique homeownership journey which is why CreditSmart offers different paths to education and financial wellness.



CreditSmart® Essentials



CreditSmart® Military



CreditSmart® Homebuyer U



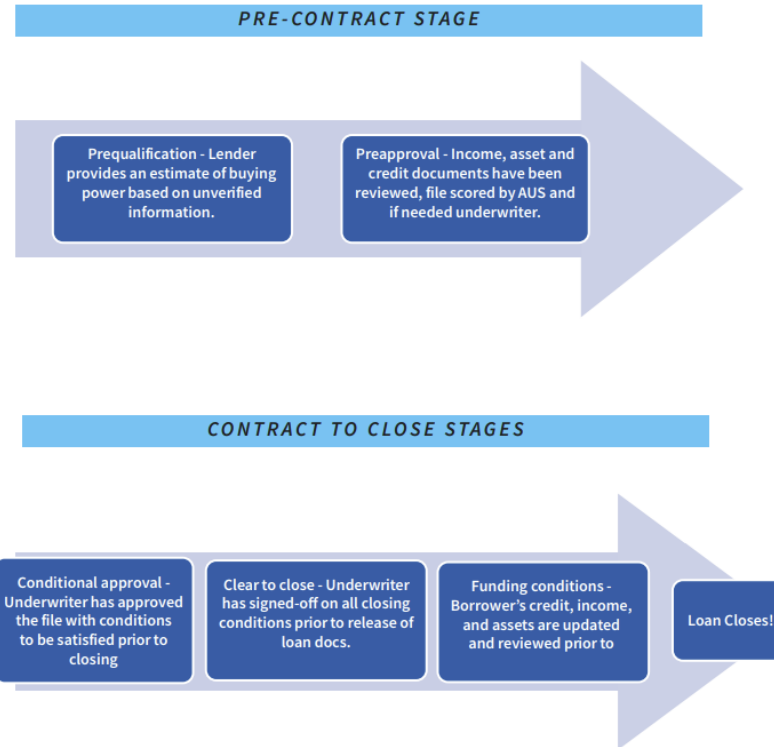
CreditSmart® Coach



CreditSmart® Multilingual

REALTOR® Resource: Financial Literacy Tool

Loan Approval and Closing Steps



Remember, loan approval is a dynamic, ongoing process that takes place up to and including the closing date! Help your buyer stay mortgage-ready through the entire process!

REALTOR® Resource: Financial Literacy Tool

Working with Nonprofit Housing Agencies

REALTORS® can benefit by supporting and working with non-profit housing agencies. These organizations provide valuable services to your buyers and can become important referral partners.

TYPICAL SERVICES THEY PROVIDE	5 WAYS YOU CAN PARTNER WITH NONPROFIT HOUSING AGENCIES
Pre-purchase home buyer education	1. Volunteer as a subject matter expert at their first-time buyer workshops
Financial and debt management counseling	2. Become a board member
Default and foreclosure prevention and counseling	3. Help with fund raising activities and events
Build or rehab affordable homes for sale to first-time buyers	4. Volunteer at special events and neighborhood clean-up days
Administer first-time buyer programs	5. Refer clients who need their services

HOW TO FIND HOUSING ORGANIZATIONS IN YOUR AREA

HUD-approved agencies can be found at: www.hud.gov/findacounselor

NeighborWorks organizations can be found at:
www.neighborworks.org/Our-Network/Network-Directory

Credit counseling organizations can be found at: www.nfcc.org

REALTOR® Resource: Financial Literacy Partner

Housing Counseling Services

1. Work with a HUD Housing Counselor to help your client:
 - a) Understand the sales process
 - b) Understand the Buyer's Broker Agreement and what it means to them and their options
 - c) Create a budget
 - d) Set a realistic timeline expectations
 - e) Review their credit (soft pull) and create a personalized housing plan
 - f) Support during the process
2. Clients can review their credit at [Annualcreditreport.com](https://www.annualcreditreport.com)
3. Go to [HUD.gov](https://www.hud.gov) to find a HUD Housing Counselor

Working with a HUD housing counselor provides valuable support for navigating the housing market, managing finances, and protecting their home post purchase.

<https://www.hud.gov/counseling>

<https://www.hud.gov/>

<https://www.hud.gov/sites/dfiles/OCHCO/documents/4000.1hsgh.pdf>

REALTOR® Resource: Financial Literacy Partner

Housing Counseling Services



Buyer Consultation Checklist

First Meeting Guide for Realtors



Financial Readiness

- Do you have funds for the down payment and closing costs?
 - Have you checked your credit lately? If so, what was your credit score?
 - Have you spoken with a lender or been pre-approved?
 - What monthly payment are you comfortable with?
 - Are you aware of additional costs (taxes, insurance, maintenance)?
-

<https://www.hud.gov/counseling>

<https://www.hud.gov/>

<https://www.hud.gov/sites/dfiles/OCHCO/documents/4000.1hsgh.pdf>



REALTOR® Resource: Financial Literacy Partner

Housing Counseling Services

Loan Preparation

Start gathering these documents for your lender: - Paystubs - W2s - Personal/Business Tax Returns - Bank Statements

Timeline & Motivation

- What is your timeline for buying?
 - What is motivating your move?
 - Do you have any important deadlines?
-

<https://www.hud.gov/counseling>

<https://www.hud.gov/>

<https://www.hud.gov/sites/dfiles/OCHCO/documents/4000.1hsgh.pdf>

REALTOR® Resource: Financial Literacy Partner

Housing Counseling Services

Home Preferences

- What type of home are you looking for?
 - How many bedrooms and bathrooms do you need?
 - What are your must-haves?
 - Any deal breakers?
-

Location

- Which areas or neighborhoods interest you?
 - What matters most about location?
 - How far are you willing to commute?
-

REALTOR® Resource: Financial Literacy Partner

Housing Counseling Services



Expectations & Communication

- Have you purchased a home before?
 - How would you like to communicate?
 - What are you expecting from your agent?
-



Decision Making

- Who will be involved in the decision?
 - Are you ready to act quickly in a competitive market?
-



Checklists

Insurance Readiness Checklist



Have trusted insurance contacts in your sphere

Maintain at least **two or three go-to insurance pros** you can refer buyers to.

- **Independent broker:** shops multiple carriers, may have more flexibility in high-risk zones or for unusual properties.
- **Captive agent** (e.g., Farmers, State Farm, Allstate): works for one brand, can offer deep product knowledge but limited to that company's underwriting appetite.

Start insurance shopping at pre-offer. Ask your insurance contact for a *bindable* quote, not just a teaser, and confirm the carrier still writes in that ZIP. California carriers have been pulling back and raising rates after major wildfire losses; availability can change week to week.

Check wildfire protections & eligibility. If the home is in or near a recent wildfire disaster area, ask whether the **one-year non-renewal moratorium** applies to the address (and link your clients to the CDI ZIP-code lookup). [California Department of Insurance](#)

If declined, confirm FAIR Plan + DIC path. For homes that can't get a standard policy, confirm a **California FAIR Plan** fire policy **plus** a separate **Difference-in-Conditions (DIC)** policy to add liability, water, theft, and ALE; note FAIR Plan is limited/named-peril and coverage limits are capped.

Confirm lender requirements + carrier ratings. Some loans require minimum insurer financial strength and specific coverages/deductibles—don't let an under-rated carrier jeopardize underwriting.

Document high deductibles & exclusions. Many current quotes carry much higher wind/fire deductibles and exclusions; make sure buyers understand them before they remove contingencies. Market tightening and reinsurance pass-throughs are pushing these up.

Rate stability expectations. Let buyers know 2025 rules will require carriers to write more in high-risk areas (aiming to reduce FAIR Plan reliance), but premiums may be higher due to allowed reinsurance costs.

Date/Time ▼	Webinar Title ▼	Categories ▼	Slides	Recordings
2025-09-04	Transaction Rescue™ - STEPS Breakouts - Credit Insurance Condos Down Payment HUD Counselor Freddie Coach	Financial Literacy	PDF Slides	See Section
2025-08-20	Transaction Rescue™ - Insurance Agents and Lender's Review Obtaining Insurance for a Number of Property Types	Insurance - Motion Graphic	PDF Slides	Watch Here
Date/Time ▼	Webinar Title ▼	Categories ▼	Slides	Recordings
2026-03-25	Transaction Rescue™ - STEPS Deeper Dive - Down Payment Assistance (DPA)	DPA	PDF Slides	Watch Here

A. Master Policy Basics (get the HOA's insurance certificate & full declarations page)

Identify the **master policy type: Bare walls, Single Entity, or All-In**—this determines how much “walls-in” coverage the buyer needs on their HO-6.

Record the **master policy deductible(s)** (property & wind/fire). Many HOAs carry large deductibles; the buyer may want **HO-6 Loss Assessment** coverage to help with deductibles or shortfalls after a covered loss.

Verify **general liability** and **building ordinance or law** coverage are present on the master policy (common lender expectation).

B. Buyer's HO-6 (unit owner policy) — request a bindable quote before contingencies are removed

Confirm **walls-in dwelling (Coverage A)** amount that matches the master policy type (more coverage for “bare walls,” less for “all-in”).

Add **Loss Assessment** limits (often \$25k–\$100k available) to address master policy deductibles/special assessments after covered losses.

Ensure **Personal Property, Liability, and ALE** are adequate for the buyer's needs (ALE especially if the building has higher wildfire or water-damage risk).

C. Compliance & Finance Readiness (can affect lending & insurability)

SB 326 “Balcony Bill” (Civil Code §5551) status: request the latest EEE (exterior elevated elements) inspection report or compliance letter. **Deadline for the initial inspection was extended to January 1, 2026** (previously 1/1/2025). Non-compliance can lead to special assessments and insurability issues.

Fannie/Freddie/FHA expectations (if applicable): verify the HOA carries required **fidelity/crime coverage** (generally at least **3 months of aggregate assessments**, more if financial controls aren't met). Lenders often check this.

Ask for the HOA's **reserve study and most recent loss runs/claim history**; frequent water/fire claims can push premiums and deductibles higher on renewals.

D. Red-Flag Questions for Listing/HOA Manager (to ask up front)

Any **non-renewal notices** or quotes indicating big premium hikes at the next renewal? (If so, what's the plan?)

Have there been recent or pending **special assessments** tied to **insurance** (premium spikes, deductible funding) or **SB 326 repairs**? Get board minutes if possible.

For higher-risk zones, has the HOA had to rely on **FAIR Plan** for part/all of the building coverage? If yes, clarify limits and any DIC wrap.

Homebuying Team

- **REALTOR®**
- Lender
- Appraiser
- Housing Inspector
- Escrow Officer
- Insurance Agent
- Title Insurance Officer
- Attorney
- Surveyor
- Housing Counselor



Survey for STEPS Toward Homeownership 6-10-26



Your Feedback is Critical

https://car.qualtrics.com/jfe/form/SV_86XvXAMXypVhIBk



Shared Materials - Lending & Down Payment Assistance

Key Elements Changing on New RPA Lender Limits Relating to Seller Credits

FHLMC:

Maximum Interested Party Financing Concessions Updated – 10-28-21

Financing Concessions: Financing concessions are funds that originate from an interested party to the transaction that are used to:–Reduce permanently the interest rate on the Mortgage–Fund a buydown plan to temporarily subsidize the Borrower’s monthly payment on the Mortgage–Make contributions in any way related to the Borrower’s Closing Costs, including up to twelve (12) months of HOA dues

Fannie Mae (FNMA)

Occupancy	LTV/TLTV > 90%	LTV/TLTV 75.01 – 90%	LTV/TLTV ≤ 75%
Primary Residences & Second Homes	3%	6%	9%
Investment Properties	2%	2%	2%

Freddie Mac (FHLMC)

Occupancy	LTV/TLTV > 90%	LTV/TLTV 75.01 – 90%	LTV/TLTV ≤ 75%
Primary Residences & Second Homes	3%	6%	9%
Investment Properties	2%	2%	2%

VA: (note that VA is the only one that allows seller to payoff borrowers credit balances)

FHA:

Interested Party Contributions
<ul style="list-style-type: none"> ➤ Interested parties refer to Sellers, Real Estate Agents, Builders, Developers or other parties with an interest in the transaction. ➤ Interested Party Contribution refers to a payment by an Interest Party, or combination of parties, toward the Borrower’s origination fees, other closing costs and discount points. ➤ Interested Parties may contribute up to 6% of the lesser of the property’s sales price or appraised value towards the buyer’s closing costs, prepaid expenses, discount points and other financing concessions. ➤ The 6% limit also includes; <ul style="list-style-type: none"> » Interested Party payment for permanent or temporary interest rate buydowns and other payment supplements, » Payments of mortgage interest for fixed rate mortgages, » Mortgage payment protection insurance; and, » Payment of UFMIP. ➤ Interested Party Contributions that exceed actual origination fees, other closing costs and discount points are considered an inducement to purchase. ➤ Interested Party Contributions exceeding six (6%) percent are considered an inducement to purchase. ➤ Interested Party Contributions may not be used for the Borrower’s MRI. ➤ Payment of real estate commissions or fees, typically paid by the seller under local or state law or local custom, is not considered an Interested Party Contribution. ➤ HBFS must document the total Interested Party Contributions on Form HUD-92900-LT, Settlement Statement or similar legal documentation, and the sales contract.

Seller Contributions
<ul style="list-style-type: none"> » For the purpose of this topic, a seller concession is anything of value added to the transaction by the builder or seller for which the buyer pays nothing additional and which the seller is not customarily expected or required to pay or provide. » Seller concession include; but are not limited to, the following; <ul style="list-style-type: none"> – Payment of buyer’s VA funding fee, – Prepayment of the buyer’s property taxes and insurance, – Gifts such as a television set or microwave oven, – Payment of extra points to provide permanent interest rate buydowns, – Provision of escrowed funds to provide temporary interest rate buydowns; and, – Payoff of credit balances or judgments on behalf of the buyer. » Seller concessions do not include payment of the buyer’s closing costs or payment of points as appropriate to the market. Example: If the market dictates an interest rate of 7½% with 2 discount points, the seller’s payment of 2 discount points would not be a seller concession. If the seller paid 5 discount points, 3 of these would be considered as a seller concession. » The problem – In some localities, builders or sellers offer concessions as a competitive tool. In extreme cases, the concessions may entice unwary and unqualified veterans into home mortgages they cannot afford. The concessions may disguise the Veteran’s inability to qualify for the loan. » Four Percent (4%) Limit <ul style="list-style-type: none"> – Any seller concession in combination of concessions which exceeds four percent (4%) or the established reasonable value of the property is considered excessive and unacceptable for VA-guaranteed loans. – Do not include normal discount points and payment of the buyer’s closing costs in total concession for determining whether concession exceed the four percent (4%) limit.



Calculating a Temporary Buydown

The most common question in Lending was asking about How the 2/1 buy down works.

Here is how a 2/1 temporary buy down work. 3/1 is also available.

Example: 2/1 buy down

Purchase	\$650,000
3% down	<u>\$ 19,500</u>
Loan Amount	\$630,500
Interest rate	7.25%

P & I \$4,301

Buy down 5.25%

P & I \$3,481 - \$4,301 = \$819 x 12 = \$9,833

2nd yr. 6.25%

P & I \$3,882 - \$4,301 = \$419 x 12 = \$5,028

Total seller concession is \$14,862, which is = to 2.36 points in this example.

The \$14,862 goes into an escrow account and that pays for the reduction in payments for year one & two.

QUESTIONS?

Pillars of Qualifying – 4 C's

- **Credit**
 - Score, Tradelines, Depth
 - Derogatory Items (collections, charge offs, judgements, BK, Foreclosure)
- **Capital**
 - Checking, Savings, Retirement, Gifts
- **Capacity**
 - Wages, Self Employment, Rental Income
 - Social Security, Disability, Pension
 - Asset Depletion
- **Collateral**
 - Value/Price, Property Condition, Occupancy

Lending Update - Bridge Loans

Use: A bridge loan is a loan that is used to leverage the equity in your departing residence to purchase a new home prior to selling. The options and the cost vary greatly depending on borrower qualifications and the speed with which the bridge loan is needed.

Bridge Loan Options –

1. Least expensive – HELOC (Home Equity Line of Credit) on departing residence and conventional loan on the purchase. Ideal for borrowers with good to high documentable income who are not in a rush to do an immediate transaction.
 - a. Advantages – Very low cost
 - b. Disadvantages
 - i. HELOC takes 30-60 days to put in place
 - ii. Borrower must qualify with both departing residence debt and purchase money debt
2. HELOC + Non-QM loan - For borrowers who have time, but only qualify for the financing on the new property. Rather than using a conventional loan, we would use a non-traditional loan that allows us to exempt the departing residence debt from the borrower's debt to income calculations.
 - a. Advantages – relatively low cost
 - b. Disadvantages
 - i. HELOC takes 30-60 days to put in place
 - ii. Higher interest rate on Non-QM purchase loan.

Lending Update - Bridge Loans

Bridge Loan Options (Cont'd) –

3. Bridge + Non-QM loan – We would simultaneously get two loans at once. The first would be a bridge loan on the departing residence in the amount needed for the down payment on the purchase of the new residence. The second would be the purchase money needed to acquire the new home.
 - a. Advantages – can close in 21 days
 - b. Disadvantages
 - i. Higher cost – points are charged on both loans
 - ii. Higher interest rate than conventional on the purchase money transaction
4. Cross Collateralized Bridge Loan – A single loan for the amount needed to purchase the new property. The combined value of the departing residence and the new property is used to determine the maximum loan to value ratio needed. There is no income qualification for this loan – only the property values are considered. The loan would be paid off or refinanced when the departing residence is sold.
 - a. Advantages
 - i. Can close in 10 days
 - ii. Asset based loan – no income qualification
 - iii. No monthly payments – the interest is added to the payoff at the time of sale of the departing residence
 - b. Disadvantages
 - i. High cost – 3 points on the purchase price and 10.5% interest while the loan is outstanding
 - ii. If loan is not completely paid off by the sale of the departing residence, a refinance would have to be done.

Qualified Mortgage (QM) Loans

- Government Loans
 - FHA – 3.5% down
 - VA – 0% down
 - USDA – 0% down
- Conventional Loans
 - Conforming Loans (Fannie Mae & Freddie Mac)
 - Low Down Payment Loans (3% & 5% Down)
 - Fannie Mae Home Ready
 - Freddie Mac Home Possible & Home One
 - Down Payment Assistance 1st TD Loans – Backed by State & Local Housing Finance Groups (w/CalHFA & GSFA 2nd TD's)
- High Balance & Jumbo Loans

Potential Available Expanded Programs:

AMI Limits: Fannie Mae Freddie Mac

FEATURE	HomeReady® (Fannie Mae)	Home Possible® (Freddie Mac)
Minimum Down Payment	3%	3%
Income Limit	80% of AMI	80% of AMI
Minimum Credit Score	620	660
Property Types	1–4 unit primary residences*	1–4 unit primary residences
Non-Occupant Co-Borrower	Allowed (broad flexibility)	Allowed
Non-Borrower Household Income	Permitted as compensating factor	Not permitted in the same way
Reduced Mortgage Insurance	Yes — lower than standard PMI	Yes — lower than standard PMI
PMI Cancellation	Cancelable at 80% LTV	Cancelable at 80% LTV
Homebuyer Education	Required for at least one borrower	Required for first-time buyers only
\$2,500 Credit for Very Low-Income	Not available	Available at ≤50% AMI
Gift Funds Allowed	Yes — entire down payment	Yes — entire down payment
First-Time Buyer Required	No	No
Refinance Available	Yes	Yes



Pathway to Home



Pathway to Home Closing Cost Assistance Grant Program

C.A.R. HAF's Pathway to Home Closing Cost Assistance Grant Program helps first-time homebuyers who are members of an "Underserved Community*" bridge the affordability gap by providing up to \$5,000 in closing cost assistance. Each grant is provided to low-to-moderate income (120% AMI and below) first-time homebuyers who utilize the services of a CA REALTOR®.

Pathway Info:



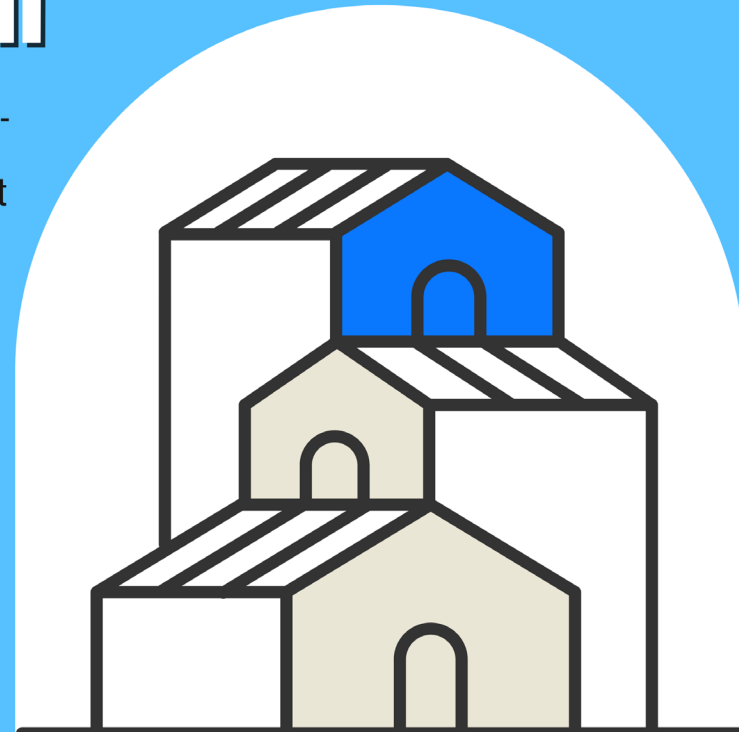
on.car.org/hafclose

Donate:



on.car.org/hafdonate

Contact us at
haf@car.org



carhaf.org

**"Underserved Community" includes: (i) people of color; (ii) persons with disabilities (physical, cognitive, or mental); or (iii) lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons. (ii) An individual with a disability is defined as a person who has a physical or mental impairment that substantially limits one or more major life activities.



CALIFORNIA ASSOCIATION OF REALTORS®
Transaction Rescue™

Other Information





STEPPIN' Toward Down Payment Assistance (DPA)



FindDownPayment.car.org

Down Payment Resource Directory

HOME > MARKETING > CLIENTS > DOWNPAYMENTRESOURCE

[PRINT](#) | [EMAIL](#) | [SAVE](#)

[SHARE](#)

Fill out the following 3-step pre-screening form, in order to find out if you are eligible for any of the 400+ down payment assistance programs available in California. If you are still not sure how to begin, feel free to [watch this video](#).

If you need further assistance with the Down Payment Resource Directory tool, please contact your REALTOR® or [find a local REALTOR® here](#), if you do not have one already.

Property Information | Household Information | Special Circumstances

Enter the Street Address and Zip Code of a specific property
– OR –
Start typing in the General Search field and pick a neighborhood, city or county from the menu.

Street Address (e.g. 123 Main Street) Zip Code

General Search (start typing for a menu of options)

Estimated sales price

Is this a Multi-Family Home? Single-Family Multi-Family

Is the home in foreclosure? Yes No

Matched Programs

53

[View Programs](#)

Continue

Within the C.A.R Tool, you can find:

- **Participating Lenders**
- **Program Guide/Flyer**
- **Filters/Guidelines:**
 - Special Groups (Teachers, Protectors, etc.)
 - Eligible Properties
 - Maximum Sales Price
 - Eligible Borrowers
 - Maximum Household Income
 - Loan Terms
- **Benefits**
- **Latest Updates**



California Housing Finance Agency (CalHFA)





CalHFA Programs

www.CalHFA.CA.Gov

Single Family: 916.326.8033 • LenderTraining@CalHFA.CA.Gov



VISION | All Californians living in homes they can afford.

MISSION | Deliver reliable financing solutions to advance housing opportunities for Californians.

The California Housing Finance Agency has provided special financing and down payment assistance to help low to moderate income California families achieve homeownership since 1975.

Programs are administered at no cost to taxpayers. All loans must comply with established federal and state laws, as well as CalHFA guidelines.

CalHFA Programs

- MyHome – 3 -3.5% for Down Payment/Closing Costs
 - 1% Simple Interest
- MyAccess – 2.5% for Down Payment/Closing Costs
 - 1% Simple Interest
- Zip – 2-3% for Closing Costs Only
 - Zero Interest





CalHFA Program Options

1 st Lien	2 nd Lien	3 rd Lien
CalHFA Conv/FHA	MyHome	
CalPlus Access Conv/FHA	MyHome	MyAccess
CalPlus Zip Conv/FHA	MyHome	Zip



CalHFA Programs

- CalHFA VA
 - Use MyHome for Closing Costs

- CalHFA USDA e
 - Use MyHome for Closing Costs



Borrower Eligibility

- **Minimum Credit Score**
 - 640 for Government loans
 - 680 for Conventional loans
- **First Time Homebuyer Requirement**
- **Homebuyer Education Required**
- **Single Family One Unit Residence**
 - Owner Occupied Only
 - 1 Year Home Warranty Required
- **Income Limits**



Income Limits

- Kern County - \$185,000
- Los Angeles County - \$211,000
- Riverside/San Bernadino County - \$205,000
- Sacramento - \$239,000
- San Diego County - \$258,000



Resources

CalHFA Website

www.calhfa.ca.gov

www.calhfa.ca.gov/buildingblackwealth

Real Estate Agent page - Including “Find A Loan Officer”

<https://www.calhfa.ca.gov/homeownership/realestate.htm>

Income Limits

<https://www.calhfa.ca.gov/homeownership/limits/index.htm>

Thank you!

For Additional information and to find a Loan Officer near you:

www.CalHFA.CA.Gov

Click on Lenders/Real Estate Agents

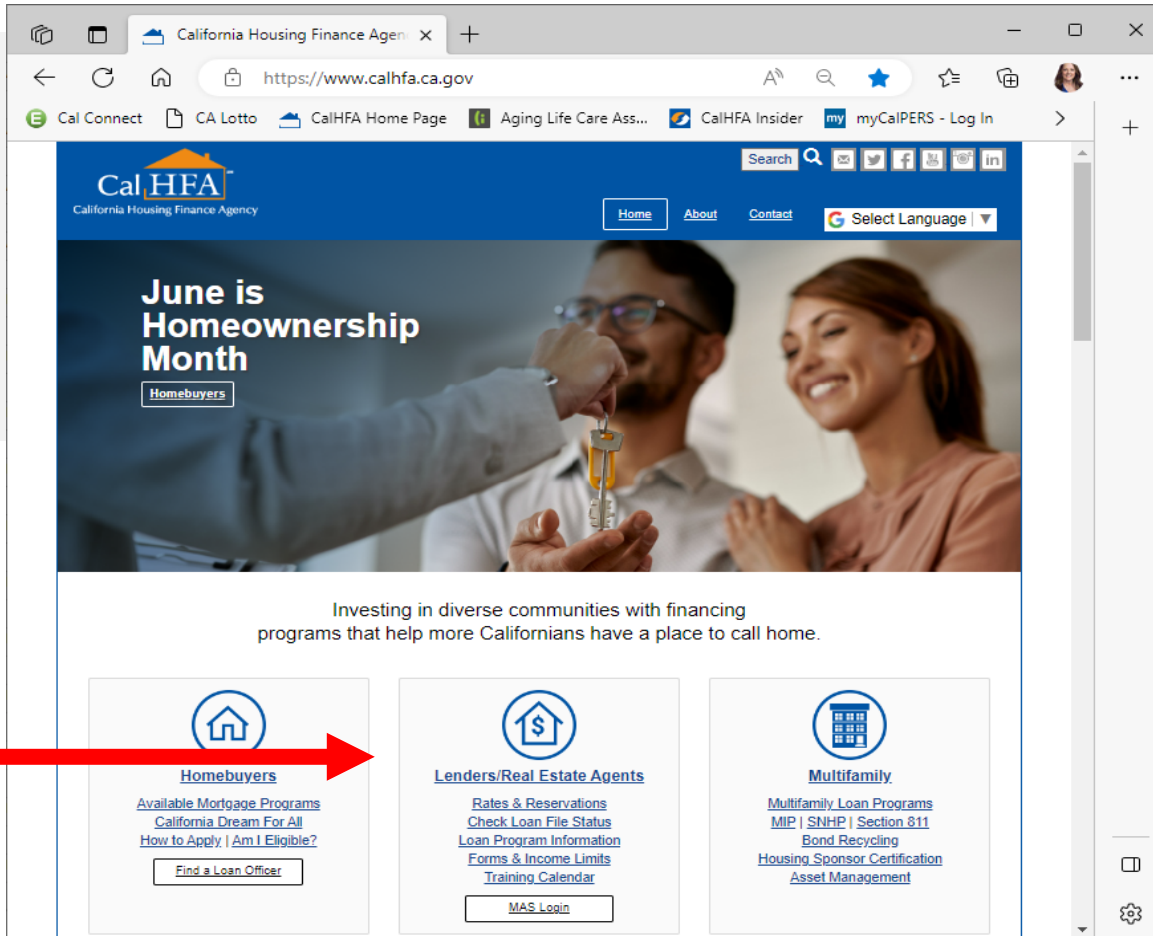
Find a Loan Officer

Molly K. Ellis

Training & Outreach Manager

mellis@calhfa.ca.gov

916.326.8680





Golden State Finance Authority (GSFA)



EXPAND YOUR BUYER POOL WITH GSFA DOWN PAYMENT ASSISTANCE

Session sponsored by
Golden State Finance Authority (GSFA)



YOUR HOST



Danh Nguyen

Program Administrator

Golden State Finance Authority (GSFA)

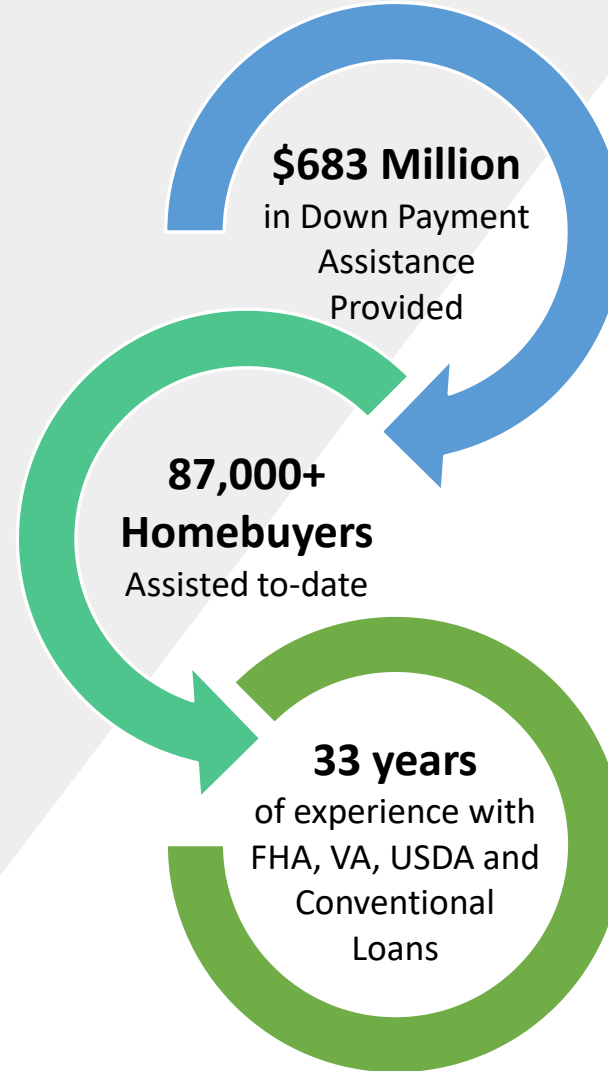
1215 K Street, Suite 1650

Sacramento, CA 95814

www.gsfahome.org

Toll-free (855) 740-8422

dnguyen@rcrcnet.org



The HFA Model: First Mortgage + Down Payment Help

- Provide Affordable, Low-Interest Mortgages
- Offers Down Payment and Closing Cost Assistance
- Partners with Lenders and Real Estate Professionals

*This presentation contains general program information, is not an offer for extension of credit nor a commitment to lend and is subject to change without notice. Complete program guidelines are available in the Program Term Sheets, available on the [GSFA website](http://www.gsfahome.org).

POTENTIAL HOMEBUYERS TOLD US...

(68%)

6/10

The down payment is their primary barrier to homeownership.

(65%)

2/3rd

They need a down payment of 15% or more.

(76%)

7/10

Have little or no familiarity with low-down payment programs.

The Secondary Problem

Millions of renters are mortgage-ready today but think they don't qualify thus don't enter the market.

SOUND FAMILIAR?



*I want to
stop renting.*

*I'm saving for a
new home.*

*I doubt I qualify.
I don't think I have
saved enough.*

**33% of Declined
Mortgage Applications
might have been
salvaged with DPA**

Source: [2022 Analysis by Down Payment Resource](#)
using 2022 HMDA data, examining tens of
thousands of applications denied primarily due to
insufficient cash-to-close or DTI issues, run through
DPR's DPA database.

HELPS AGENTS CLOSE MORE DEALS

- Flexible Financing Solutions



- Flexible DPA
 - Rate determines size of DPA
 - Choose what your borrower needs
 - Funds apply to down payment, closing costs, or 1st mortgage
- Up to 5.5% in Assistance
- Can be Combined with Borrower's Own Funds
- Variety of Financing Options
- Variety of Property Types

EXPANDS BUYER POOL

- Broad Eligibility & Accessibility



- No First-time Homebuyer Requirement
- FICO Scores as Low as 620
- Debt-to-Income Ratios up to AUS Approval
- Owner-Occupied Residences
 - 1-4 unit | Condominiums | Townhomes
 - PUDs | Manufactured Homes
- Purchase or Refinance
- Available Across California

SPEEDS UP CLOSINGS, REDUCES FRICTION

- Smooth & Efficient Process



- Online Reservation System
- 60-Day Rate Lock for Loan and DPA
- DPA Documents Auto-Filled
- Entire loan fulfillment process delegated to the lender
- No Additional Reviews, No Escrow Delays
- Client Relations Support Mon-Fri, 8-5
- Lender Participation Guides Online, Available 24/7

WHAT DPA CAN DO FOR YOUR BUYER



\$862,953
Purchase Price

\$847,376*
FHA 1st Mortgage
Loan (96.5% LTV) + UFMIP

\$42,369
GSFA DPA
(5% of the Total 1st Mortgage
Loan Amount)



\$30,203
to Cover 3.5%
Down Payment Requirement

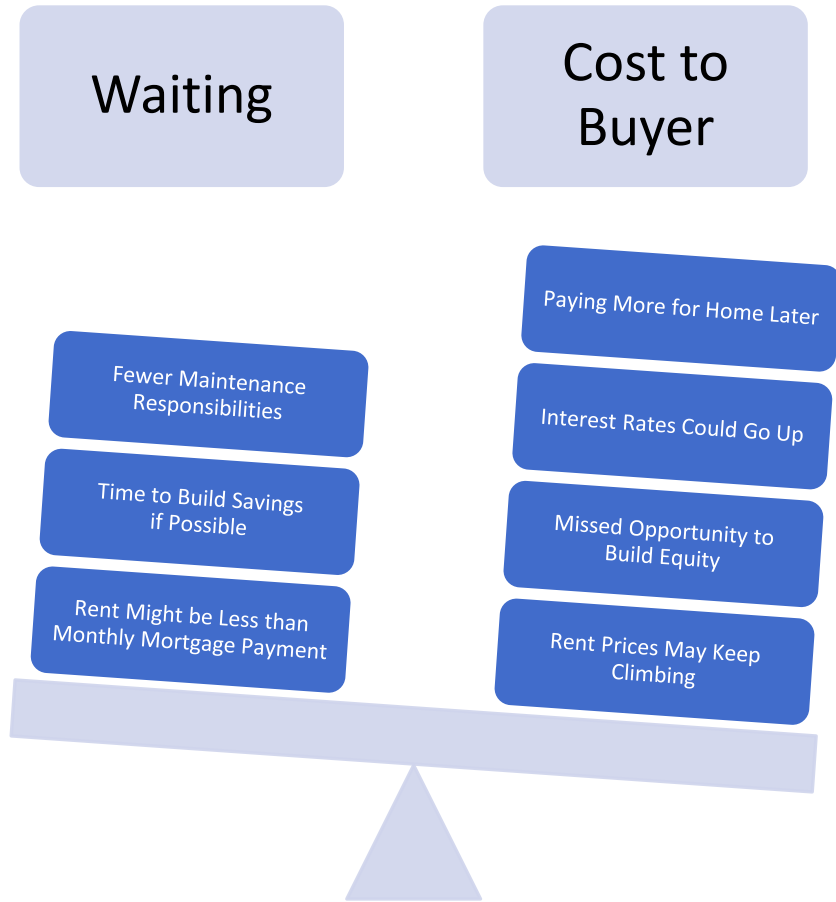
\$12,166
Remaining to put towards
Closing Costs

For example purposes only.

Scenario is based on an FHA 1st Mortgage at 96.5% Loan-to-Value combined with DPA Assistance from GSFA, sized at 5% of the Total Loan Amount.

**Max Loan Amount for an FHA Loan through GSFA DPA Programs: (\$832,750 + \$14,626 Upfront MI (UFMI)) = \$847,376*

SHOW BUYERS THE COST OF WAITING



Let's Revisit the Earlier Example

- Home Price = \$862,953
- **3.5% down = \$30,203**
- Saving \$500/month = 5+ years to reach
- Equity lost in 5 years = \$151,016*

**GSFA DPA Eliminates #1 Barrier:
Upfront Cash – \$30,203 available now!**

**According to the California Association of REALTORS®, California's median home price is forecasted to rise 3.5 percent to \$905,000 in 2026*

GSFA DPA PROGRAMS – GENERAL GUIDELINES

- 30-Yr Fixed-Rate 1st Mortgages
 - FHA, VA, USDA
 - Purchase transactions only
 - Now Includes HUD-184 loan (tribal lands)
 - Conventional (Conv)
 - Purchase or refinance
 - Freddie Mac HFA Advantage Product
- \$832,750 Maximum 1st Mortgage
 - No purchase price limits
- Income Limit Based on:
 - Credit qualifying income (Except: USDA)
 - 1st Mortgage type
 - County of Property being purchased
- Determining Income Limit
 - FHA/VA/USDA: Follows loan agency guidelines
 - Conv Loans: Published on the [GSFA website](#)
 - Often higher than expected

Examples by County	Income Limit (Conventional Only)
Contra Costa	\$302,580
Riverside, San Bernardino, Kern	\$196,560
Sacramento, Yolo	\$218,700





GSFA PLATINUM[®] PROGRAM

FICO Score Requirement*	<ul style="list-style-type: none"> • 640 minimum FICO • Manufactured Homes require a 660 FICO (and max DTI of 45%)
Maximum Debt-to-Income (DTI)*	<ul style="list-style-type: none"> • 45% max DTI for FICOs below 680 • 50% max DTI for FICOs 680 and higher • Exception: 50% max DTI on Conv. 1-2 units, w/ FICOs 640 and higher w/ LPA "Accept"
Homebuyer Assistance Available	<ul style="list-style-type: none"> • DPA up to 5.5% of the Total 1st Mortgage Loan Amount

DPA OPTIONS WITHIN PROGRAM

In celebration of National Homeownership Month, new Reservations made in May and June will automatically qualify for Platinum "Select" option.

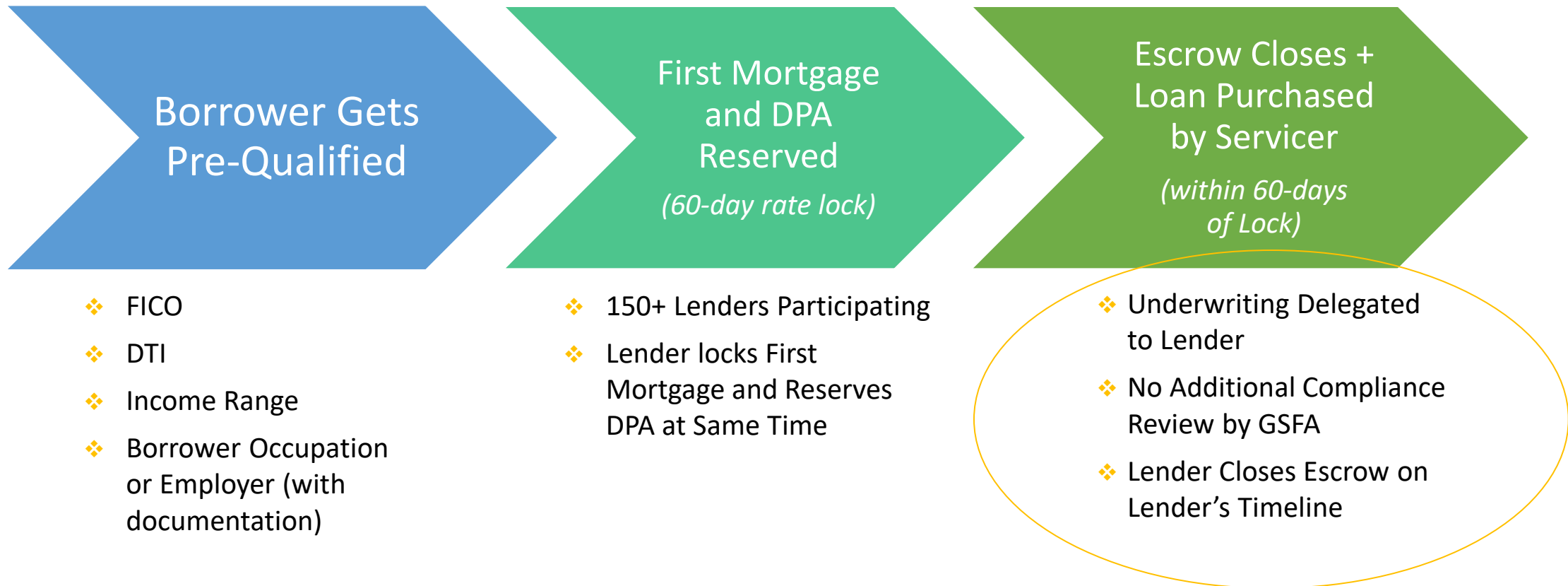
Program Option	Eligibility	DPA Amount and Terms
<p>Standard Product</p>	<p>All eligible borrowers and mortgages</p>	<p>Total DPA = Up to 5% available</p> <ul style="list-style-type: none"> • 15-Year Amortizing 2nd Mortgage • Rate same as 1st Mortgage
<p>"Select"</p> 	<ul style="list-style-type: none"> • Certain public safety, health and educational occupations • FHA Energy Efficient Mortgages • USDA Mortgages 	<p>Total DPA = Up to 5% available</p> <ul style="list-style-type: none"> • Primary DPA = 15-Year Amortizing 2nd Mortgage <ul style="list-style-type: none"> • 3.5% FHA/VA/USDA; 3% Conv • Rate same as 1st mortgage • Additional DPA gift, up to 2%
<p>"Assist-to-Own"</p> 	<p>Employees of GSFA Member Counties (40 in CA)</p>	<p>Total DPA = Up to 5.5% available</p> <ul style="list-style-type: none"> • Primary DPA = 30-Year Deferred 2nd Mortgage • 3.5% FHA/VA/USDA; 3% Conv <ul style="list-style-type: none"> • Zero interest accrued; deferred 30-yr; due upon sale or refi • Additional DPA gift, up to 2%



GSFA GOLDEN OPPORTUNITIES

FICO Score Requirement*	FHA/VA/Conv = 620	USDA = 640
Maximum Debt-to-Income (DTI)*	Based on AUS Approval	
	Manual underwriting guidelines: <ul style="list-style-type: none"> • FHA/Conv = Not allowed • VA/USDA = 41% 	
Assistance Available	Total DPA = Up to 5% available <ul style="list-style-type: none"> • Primary DPA = 15-Year Amortizing 2nd Mortgage <ul style="list-style-type: none"> • 3.5%-size for FHA/VA/USDA • 3%-size for Conv • Additional DPA gift, up to 1.5% 	

GSFA DPA PROGRAMS – EXPECTATIONS AND TIMELINE



**DPA
CUSTOMERS
BECOME
CUSTOMERS
FOR LIFE!**



HOW TO GET STARTED



Lenders listed on the GSFA website
www.gsfahome.org

GSFA Client Relations
(855) 740-8422
M-F 8am – 5pm PST
info@gsfahome.org

- Find Available DPA Programs here:
 - www.FindDownPayment.car.org OR
 - www.GSFAhome.org/CAR
- Work with a GSFA Participating Lender!
 - Experienced in GSFA Programs
 - Key to Smooth/Fast Transactions
 - Determines 3 main qualifiers: Income, DTI, FICO
 - Furnishes interest rates and APRs
 - Determines best DPA option or stacking programs
 - Process loan(s)

GSFA – KEY RESOURCES


www.gsfahome.org/CAR

- Program Info
- Training & Marketing Support
- Support for Your Outreach Events

Learn, Promote, and Close More Sales!

Resource Center for Members of C.A.R. REALTORS®

As housing demand rises and affordability challenges make saving for a home more difficult, access to down payment and closing cost assistance (DPA) is essential. By leveraging GSFA programs, members of the California Association of REALTORS® (C.A.R.) can position themselves as trusted DPA resources, expand business opportunities, and—most importantly—help more Californians achieve homeownership.



Your Competitive Edge Starts with GSFA
Proud sponsor of the C.A.R. STEPS to Homeownership Program.

Equip yourself to better guide buyers and grow your business with program overviews, customizable marketing materials, live webinars, educational videos, and an event calendar featuring upcoming workshops and training opportunities. Bookmark this page for easy access to new tools and resources as they are added.

Explore Our Homebuyer Assistance Programs

GSFA Platinum® Program

The GSFA Platinum Program provides DPA of up to 5.5% for eligible buyers—including repeat buyers—making homeownership more attainable and helping REALTORS® close more sales. The program allows for less-than-perfect credit (FICO scores as low as 640) and special DPA options for certain occupations or mortgage loan types.

- ✓ [View Program Details;](#)
- ✓ [Find Platinum Lenders.](#)

Golden Opportunities Program

The GSFA Golden Opportunities (GO) Program provides up to 5% in DPA for eligible buyers, helping REALTORS® guide clients toward homeownership. The program supports repeat buyers, allows FICO scores as low as 620, and accepts debt-to-income ratios up to Automated Underwriting System (AUS) approval, making it easier for more buyers to qualify and close successfully.

- ✓ [View Program Details;](#)
- ✓ [Find GO Lenders.](#)

ReCoverCA HBA Program

The ReCoverCA Homebuyer Assistance (HBA) Program provides up to \$350,000 to help low- to moderate-income households in disaster-impacted California communities purchase homes. The program helps make homeownership more affordable while giving REALTORS® a powerful tool to move buyers forward and expand opportunities.

- ✓ [View Program Details;](#)
- ✓ [Find ReCoverCA HBA Lenders.](#)

Essential Tools for REALTORS®

Training & Marketing Support

Boost your business with GSFA tools—learn the programs, share with clients, and stand out with videos, marketing materials, and social media content ready to use!

- ✓ [Program Training;](#)
- ✓ [Educational Videos;](#)
- ✓ [Customizable Literature;](#)
- ✓ [Social Media Templates.](#)

Outreach Events

GSFA sponsors and participates in outreach events across California to help REALTORS® and homebuyers learn about available homebuyer assistance programs. These events cover program benefits, eligibility, and effective ways to promote them to clients.

- ✓ [View Upcoming Outreach Events.](#)

GSFA Speakers

Hosting an educational or industry event? GSFA can provide a speaker, present program information, or supply materials to support your outreach and client education. Submit your request form to the GSFA Marketing Department at least 14 business days before your event. Requests are subject to review and staff availability.

[SUBMIT A REQUEST](#)

CUSTOMIZABLE MARKETING LITERATURE

- Pre-designed for Lenders/Realtors to Utilize
 - Flyers and brochures
 - English & Spanish
 - Adobe PDF format
 - Embedded with text-fields to add your contact info
- Use Guidelines:
 - Must be with a GSFA Participating Lender
 - OR able to refer to a Participating Lender
 - Represent programs accurately

GSFA Platinum® - Down Payment Assistance Program

Buy a Home with Little-to-no

Golden State Finance Authority

Believe

Homeownership could be closer than you think—don't wait to take the first step! Talk to a GSFA Platinum Participating Lender today to find out if the GSFA Platinum Program is the right fit for your homebuying journey. Your future home is waiting!

Dream

For over 32 years, Golden State Finance Authority (GSFA) has been turning homeownership dreams into reality with innovative mortgage programs that combine competitive interest rates and valuable down payment and closing cost assistance.

GSFA has empowered more than 86,400 individuals and families to become homeowners—delivering over \$675.3 million in down payment assistance and opening doors across California.

"TAKE THE LEAP AND SEE IF THEY CAN HELP YOU"

“ My partner and I really wanted to get our own home that we could be able to freely express ourselves as well as our daughter! When I qualified for GSFA, I was beyond excited and grateful! Take the leap and see if they can help you!”

— Monica Gonzalez, Feb. 2024
Kern County, CA

GSFA Platinum® Down Payment Assistance
Up to 5.5% of Loan Amount

Let us help you achieve the dream of owning your own home!

GOLDEN STATE Finance Authority

*This brochure contains general program information, is not an offer for extension of credit nor a commitment to lend and is subject to change without notice. Complete program guidelines, loan applications, interest rates and annual percentage rates (APRs) are available through GSFA Participating Lenders.
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First
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: 640 |
You don't have to be a first-time homebuyer.

THANK YOU — TOGETHER, WE MAKE HOMEOWNERSHIP POSSIBLE



Golden State Finance Authority
1215 K Street, Suite 1650
Sacramento, CA 95814

(855) 740-8422

info@gsfahome.org

www.gsfahome.org



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Thank You!



Contact List



California Association of REALTORS® - Panelist Contact List

Name	Email	Phone	Company
Abel Fregoso Jr	AFregosoJr@prmg.net	619-572-3316	PRMG
Cynthia Leal	cleal@guildmortgage.net	310-720-5309	Guild Mortgage
Faramarz (FM) Moeen-Ziai	fmzteam@fmzloans.com	415-377-1147	FMZ Loans
Stan Melad	stan.melad@chase.com	619-787-7826	Chase Home Lending
Jordan Levine	JordanL@car.org	213-739-8305	California Association of REALTORS®
Marc Farfel	TransactionRescue@car.org	213-739-8383	California Association of REALTORS®
Meagan Harris / Danh Nguyen	Info@GSFAHome.org	855-740-8422	Golden State Finance Authority (GSFA)
Molly Ellis	MEllis@CalHFA.ca.gov	916-326-8680	California Housing Finance Agency (CalHFA)
Rolanda Wilson	Rwilson@nidhousing.com	510-268-9792	NID Housing Counseling Agency



Questions